



COUNTY OF SANTA CRUZ BOARD OF SUPERVISORS REGULAR MEETING AGENDA

Governmental Center Building
701 Ocean Street, Room 525, Santa Cruz, CA

November 05, 2019

9:00	- Call to Order	10:15	- Recess
	- Public Comment	10:30	- Scheduled and Regular
	- Consent Agenda		Departmental Items
	- Scheduled and Regular	12:00	- Lunch
	Departmental Items	1:30	- Scheduled and Regular
			Departmental Items <i>(if needed)</i>

NOTE: Updates, revisions and additional materials for this agenda will be published on the County's website, Board of Supervisors Meeting Portal, at:

<https://santacruzcountyca.iqm2.com>

Agenda documents are available for review in person at the office of the Clerk of the Board, Government Center, 5th Floor, 701 Ocean Street, Rm 520; and electronically on the County's website, at: www.santacruzcounty.us. Board of Supervisors meetings are televised live on Community Television of Santa Cruz County, at: www.communitytv.org/watch/.

To **comment** on individual agenda items online, go to the Board's Meeting Portal web page at www.santacruzcountyca.iqm2.com. Select the meeting date and click on the icon next to an item. Comments must be received before 5:00 p.m. the day before the meeting to be included with agenda materials. Comments received after 5:00 p.m. and before 8:30 a.m. meeting day will be included in the minutes record. For additional information, call Clerk of the Board's office at 454-2323 (TTY/TDD call 711).

CONSENT AGENDA

Consent items include routine business that does not call for discussion. One roll call vote is taken for all items. Only a Board Member may pull items from Consent to Regular agenda. Members of the public must request that a Board Member pull an item from the Consent Agenda prior to the start of the meeting. Staff is available to address public concerns Monday through Friday, 8:00 a.m. to 5:00 p.m.

TRANSLATION SERVICES/SERVICIOS DE TRADUCCION

Spanish language translation is available on an as needed basis. Please make advance arrangements at Clerk of the Board, Room 520, 701 Ocean St., Santa Cruz; or by telephone at (831) 454-2323.

Las sesiones de la Mesa Directiva de los Supervisores del Condado pueden ser traducidas del inglés al español y del español al inglés. Por favor haga arreglos anticipadamente con la Secretaria de la Mesa Directiva de los Supervisores en el cuarto número 520, 701 Ocean St., Santa Cruz; o por teléfono al número (831) 454-2323.

ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board of Supervisors' Chambers, located at 701 Ocean Street, Room 525, Santa Cruz, California, is an accessible facility. If you are a person with a disability and wish to attend the meeting and you require special assistance in order to participate, please contact the Clerk of the Board at (831) 454-2323 [TDD: call 711] at least 72 hours in advance of the meeting to make arrangements.

Persons with disabilities may request a copy of the agenda in an alternative format.

As a courtesy to those affected, please attend the meeting smoke and scent free.

INTRODUCTORY ITEMS

1. CALL TO ORDER
2. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE
3. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA; ADDITIONS AND DELETIONS TO CONSENT AND REGULAR AGENDAS
4. ANNOUNCEMENT BY BOARD MEMBERS OF ITEMS REMOVED FROM CONSENT TO REGULAR AGENDA
5. PUBLIC COMMENT

Any person may address the Board during its Public Comment period. Speakers must not exceed three (3) minutes in length or the time limit established by the Chair, and individuals may speak only once during Public Comment. All Public Comments must be directed to an item listed on today's Consent Agenda, Closed Session Agenda, yet to be heard on Regular Agenda, or a topic not on the agenda that is within the jurisdiction of the Board. Board members will not take actions or respond immediately to any public communication presented regarding topics not on the Agenda but may choose to follow up later, either individually, or on a subsequent Board of Supervisor's Agenda. Public Comments will normally be received by the Board for a period not to exceed thirty (30) minutes. If, at the end of this period, additional persons wish to address the Board, the Public Comment period may be continued to the last item on the Agenda.

NEW

Bring Your Own Device (B.Y.O.D.) Public Presentation System

To facilitate the sharing of multimedia content during Public Comment, the BYOD System is now available

The BYOD system allows users to display content from their own equipment (e.g.; laptop with USB connection port) during Public Comment. In order to ensure a smooth operation, advance notice is helpful. Please contact Clerk of the Board by 4:00 p.m. Friday before the meeting at 831-**454-2323** for instructions and to ensure your device is compatible. If advance notice is not possible, check in with the Clerk in Chambers before the start of the meeting. BYOD Instructions are also available at the podium.

Please note: Speakers with audio/video materials must adhere to the same time limits as other speakers and will not be granted additional time to address the Board. The County does not guarantee the ability to present audio/video material, will not provide technical support during such presentations, and the Chair may limit or prohibit the use of the County's systems for the presentation of such material.

6. ACTION ON THE CONSENT AGENDA (ITEMS 18-45)

REGULAR AGENDA

Scheduled and Regular Departmental Items - 9:00 AM or thereafter

7. Presentation honoring Susan Rozario on her retirement, as outlined in the memorandum of Chair Coonerty
8. Consider final appointment of Jozett Irgang to the In-Home Supportive Services Advisory Commission, as an at-large consumer representative, for a term to expire April 1, 2021 (nomination accepted October 22, 2019)
9. Consider ordinance amending the Santa Cruz County Code to add Chapter 5.47 regarding a charge on single-use disposable cups at businesses in the unincorporated County; consider proposed Notice of Exemption from CEQA; schedule the ordinance for second reading and final adoption on November 19, 2019; and direct Public Works to conduct outreach and education to local businesses, as outlined in the memorandum of the Deputy CAO, Director of Public Works
 - a Ordinance (Clean Copy) - Attachment A
 - b Notice of Exemption
10. Consider ordinance adding Chapter 2.125 to the Santa Cruz County Code to create a Syringe Services Program Advisory Commission, as amended for an administrative clarification on October 22, 2019, and schedule the ordinance for second reading and final adoption on November 19, 2019, as outlined in the memorandum of the Director of Health Services
 - a Ordinance Chapter 2.125 - SSP Advisory Commission
 - b Ordinance Ch 2.125 - SSP Advisory Commission (as amended 10-22-2019)
 - c Public comments (various, rec'd 10-21-2019)

11. Consider ordinance amending Chapters 9.08, 9.16, 9.20, 9.24, 9.28, 9.32, 9.36, 9.37, 9.45, and 9.46 of the Santa Cruz County Code to correct typographical errors, address organizational issues, align the code with changes to State law, delete unnecessary material, and make additional miscellaneous changes; and schedule the ordinance for final adoption on November 19, 2019, as outlined in the memorandum of County Counsel
 - a Ordinance -- Attachment A
 - b Code Update 9.08 (Strike-Out Underline) -- Attachment B
 - c Code Update 9.16 (Strike-Out Underline) -- Attachment C
 - d Code Update 9.20 (Strike-Out Underline) -- Attachment D
 - e Code Update 9.24 (Strike-Out Underline) -- Attachment E
 - f Code Update 9.28 (Strike-Out Underline) -- Attachment F
 - g Code Update 9.32 (Strike-Out Underline) -- Attachment G
 - h Code Update 9.36 (Strike-Out Underline) -- Attachment H
 - i Code Update 9.37 (Strike-Out Underline) -- Attachment I
 - j Code Update 9.45 (Strike-Out Underline) -- Attachment J
 - k Code Update 9.46 (Strike-Out Underline) -- Attachment K

12. Consider report and study session on the Santa Cruz County Performance Measurement Initiative, and direct the County Administrative Office to return in May 2020 with an update, as outlined in the memorandum of the County Administrative Officer
 - a Draft Community Impact Measures
 - b Draft Performance Measurement Program Pipeline

13. Consider 2020 Legislative Priorities for the County of Santa Cruz and take related actions, as outlined in the memorandum of the County Administrative Officer
 - a 2020 Legislative Priorities
 - b 2020 Legislative Prospectus

14. Consider an urgency ordinance adding Chapter 8.47 to the Santa Cruz County Code to temporarily prohibit no-fault evictions through December 31, 2019, for properties that will be covered by Assembly Bill 1482, the Tenant Protection Act of 2019, as outlined in the memorandum of Supervisors Coonerty and Friend
 - a Ordinance Temporarily Prohibiting No-Fault Evictions through December 31, 2019
 - b Assembly Bill No. 1482

10:30 AM SCHEDULED ITEMS

15. AS THE BOARD OF SUPERVISORS FOR THE SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY: Consider approval of Affordable Housing and Property Disposition Agreement By and Between the Santa Cruz County Redevelopment Successor Agency and MP Live Oak Associates, L.P., a partnership established by MidPen Housing; authorize the County Administrative Officer to execute the agreement; and take related actions, as outlined in the memorandum of the County Administrative Officer
 - a Affordable Housing and Property Disposition Agreement

16. Public hearing to consider Application 181579 (MidPen Housing) for a mixed-use development consisting of a two-story medical/dental office with a retail store and a housing complex containing 57 affordable units, and requiring a Vesting Tentative Map, Commercial Development Permit, Zoning Map Amendment, Planned Unit Development, Sign Exception and Design Review; accept the determination that the project is exempt in accordance with the California Environmental Quality Act (CEQA), and take related actions, as outlined in the memorandum of the Planning Director
 - a Ordinance - Zoning Map Amendment for a portion of APNs 026-741-12, 13, 14 & 15
 - b Ordinance - Approving a PUD for a portion of APNs 026-741-12, 13, 14 & 15
 - c Statutory Exemption from CEQA pursuant to PRC 21159.25
 - d Planning Commission Resolution 2019-08
 - e Planning Commission August 28, 2019 - Minutes
 - f Additional correspondence received for August 28, 2019 Planning Commission hearing
 - g Original Planning Commission August 28, 2019 Staff Report and Exhibits (web link)
 - h Planning Commission Staff Report with revised-corrected exhibits (420 pages; online and on file)
 - i Correspondence submitted on October 22, 2019, by Bert Whelan on behalf of Leila Court neighbors

Regarding public hearing items: If any person challenges an action taken on the foregoing matter(s) in court, they may be limited to raising only those issues raised at the public hearing described in this notice or in written correspondence delivered to the Board of Supervisors at or prior to the public hearing.

The time limit for seeking judicial review of any decision approving or denying an application for a permit, license or other entitlement, or revoking a permit, license or other entitlement is governed by Code of Civil Procedure Section 1094.6 and is no later than the 90th day following the date on which the decision is made (unless a shorter time limit is specified for the type of action by State or Federal law, in which case the shorter time limit shall apply).

17. Consider expenditure of \$5,000,000 from the Low and Moderate Income Housing Asset Fund to MP Live Oak Associates, L.P, a partnership established by MidPen Housing, for an affordable housing project, and approve the assumption by the County of the rights and obligations of the Santa Cruz Redevelopment Successor Agency under an Affordable Housing and Property Disposition Agreement, and take related actions, as outlined in the memorandum of the Planning Director
 - a AHPDA Agreement (MidPen) 17th and Capitola

CONSENT AGENDA

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General Government

18. APPROVAL OF MINUTES
 - a. Board of Supervisors - Regular Meeting - Oct 22, 2019 9:00 AM
19. Accept claims as approved by the Auditor-Controller-Treasurer-Tax Collector
20. Approve the reading by title of any ordinance considered for adoption that may appear on this agenda, and further waive a detailed reading of said ordinance, as recommended by County Counsel
21. Reject the claim of Safeco Insurance for Laurie Glantz-Murphy, Claim No. 920-027, and refer to County Counsel
22. Reject the claim of C.G., Claim No. 920-028, and refer to County Counsel
23. Accept and file report on the Santa Cruz County Homeless Action Partnership application to the U.S. Department of Housing and Urban Development for 2019 Continuum of Care funding, as recommended by the County Administrative Officer

Consent items continued

24. Adopt resolution accepting \$1,664,514 in unanticipated revenue from Homeless Emergency Aid Program (HEAP) and California Emergency Solutions and Housing (CESH) program; approve contract in the amount of \$1,962,245 with The Salvation Army, a California Corporation, awarded HEAP and CESH funding by the Watsonville/Santa Cruz City & County Continuum of Care; authorize payment in the amount of \$15,821 to the City of Santa Cruz; accept and file report on shelter system improvements, and take related actions, as recommended by the County Administrative Officer
25. Adopt resolution accepting \$135,204 in unanticipated revenue from Homeless Management Information System (HMIS) Participation Fees as detailed in the attached AUD-60; approve contract in the amount of \$135,204 with Community Technology Alliance for HMIS licensing and system administration; and take related actions, as recommended by the County Administrative Officer
26. Adopt five resolutions appointing the unopposed special district candidates who have filed Declarations of Candidacy for the November 5, 2019 Uniform District Election, as recommended by the County Clerk
27. Adopt resolutions accepting unanticipated revenue in the amounts of \$85,000 and \$23,000, and approve the fixed asset purchase for the Government Center Community Room remodel, as recommended by the Director of General Services
28. Approve and authorize the Director of General Services to re-institute surplus sales for County surplus items, and take related actions, as recommended by the Director of General Services
29. Approve two-year agreement with Pictometry International Corp. in the amount of \$94,674.99 to provide aerial imagery, approve six Memorandums of Understanding with participating municipalities and agencies, approve resolution accepting unanticipated revenue in the amount of \$26,933, and take related actions, as recommended by the Director of Information Services
30. Approve transfer of funds in the amount of \$400,000 from the Technology Fund to Information Services for the purchase of technology items including communication and computer equipment, as recommended by the Director of Information Services
31. Approve appointment of Patrick Garcia as the First District appointee to the Equal Employment Opportunity Commission, for a term to expire April 1, 2021, as recommended by Supervisor Leopold
32. Accept report on Santa Cruz SEEDS, an effort to establish Children's Savings Accounts for babies born in Santa Cruz County, and direct the Chair of the Board to write a letter of support for this local effort to invest in Santa Cruz County kids' education and development, as recommended by Supervisor Coonerty

Consent items continued

33. Approve appointment of Christine Berge as the Fifth District appointee to the Substance Use Disorder Services Commission, for a term to expire April 1, 2021, as recommended by Supervisor McPherson
34. Approve reappointment of Supervisor Bruce McPherson as Santa Cruz County's representative to the California State Association of Counties Board of Directors, and Supervisor John Leopold as the Alternate Director, for one year terms beginning December 3, 2019, as recommended by Chair Coonerty
35. Approve the 2020 schedule of meetings of the Board of Supervisors, including the schedule for 2020-2021 budget hearings, as recommended by Chair Coonerty

Public Safety & Justice

36. Approve five-year agreement with AXON Enterprise, Inc., in the total amount of \$64,510.35, including \$18,756.47 in Fiscal Year 2019-20, for public safety equipment, and take related actions, as recommended by the Chief Probation Officer

Health & Human Services

37. Approve Pre-Trial Felony Mental Health Diversion grant awarded by the California Department of State Hospitals in the amount of \$1,362,536, authorize the Health Services Agency to sign the agreement and any related documents and amendments, and direct HSA to return to the Board by February 2020 to accept and appropriate the Diversion grant funds, as recommended by the Director of Health Services

Land Use & Community Services

38. Adopt resolution accepting unanticipated revenue in the amount of \$1,499,699 from the CA River Parkways grant for the Soquel Creek Linear Parkway project, as recommended by the Director of Parks, Open Space and Cultural Services

Consent items continued

39. Schedule a public hearing on November 19, 2019 to consider adoption of an ordinance amending Chapter 12.10 of the Santa Cruz County Code for the purpose of adopting the 2019 California Building Standards Code and local amendments, and take related actions, as recommended by the Planning Director
40. Schedule a public hearing for Tuesday, December 10, 2019 at 9:00 a.m. or thereafter, to consider application 181263, for development of APN 032-051-36 located at 3911 and 3946 Portola Drive within the C-2 (Community Commercial) zone district, and to affirm that the project qualifies for a Statutory Exemption from the California Environmental Quality Act pursuant to Public Resources Code (PRC) section 21159.25, and take related actions, as recommended by the Planning Director
41. Authorize payment of \$18,294.61 to Downtown Streets Team for litter abatement and clean-up services completed in fiscal year (FY) 2018-19; approve amendment to agreement with Peterson Tractor Company Inc., to increase compensation by \$311.47 for a total not-to-exceed amount of \$263,307.76 for heavy equipment and repair services completed in FY 2018-19; authorize payment of \$215.67 to Altec Industries Inc. for heavy equipment parts services completed in FY 2017-18; and take related actions, as recommended by the Deputy CAO, Director of Public Works
42. Accept status report on feasibility of design and construction for the safe crossing of State Route 1 in the community of Davenport, as recommended by the Deputy CAO, Director of Public Works
43. Ratify approval of contract with Cal West Construction, Inc., in the amount of \$543,255.28 for the Lompico Road PM 0.22 2017 Storm Damage Repair project, as recommended by the Deputy CAO, Director of Public Works
44. Authorize Public Works to submit project list to Santa Cruz County Regional Transportation Commission for RSTPX funds totaling \$4,815,541 for road projects, as recommended by the Deputy CAO, Director of Public Works
45. Defer to on or before December 10, 2019, status update of time extension requests submitted to FHWA for 2016-17 winter storm damage repair projects, as recommended by the Deputy CAO, Director of Public Works

- END OF CONSENT AGENDA -

WRITTEN CORRESPONDENCE LISTING:

The Written Correspondence Listing is established to act as a report of materials received by the Board as a whole but may also include items requested for inclusion by individual Supervisors. Upon completion of any actions deemed necessary (i.e., acknowledgement, referral, etc.), these items are included in the Written Correspondence Listing under the appropriate heading. While these items are not part of the official record of meetings of the Board of Supervisors, they will be maintained by the Clerk of the Board for a period of two years, after which time they may be destroyed after the County's Historic Resources Commission has been provided an opportunity for review.

- I. The Board of Supervisors has received agendas and minutes from the following County advisory bodies (to be filed):

None

- II. The Board of Supervisors has received applications from the following persons for appointment to County advisory bodies (to be filed):

Christine Berge, Substance Use Disorder Services Commission

- III. The Board of Supervisors has received the following items of correspondence which require no official action by the Board at this time:

- a) Copy of application related to the alcoholic beverage license for A & A Los Gatos Winery LLC, 25330 Hutchinson Road, Los Gatos (copies to Environmental Health, Planning, and Sanitation Engineering)
- b) Copy of application related to the alcoholic beverage license for El Azteca Restaurant, 2904 Freedom Boulevard, Freedom (copies to Environmental Health, Planning, and Sanitation Engineering)
- c) Copy of application related to the alcoholic beverage license for Vista Dorada Ranch, 111 Hainline Road, Aptos (copies to Environmental Health, Planning, and Sanitation Engineering)
- d) Agenda of the October 24, 2019, meeting of the Capitola City Council
- e) Notice of meeting of the Santa Cruz Regional 9-1-1 Board of Directors
- f) Copy of the Santa Cruz County Data Notebook 2019 for California Behavioral Health Boards and Commission submitted by the Mental Health Advisory Board
- g) Proclamation issued by Supervisor Leopold honoring the 25th Anniversary of the Council on American-Islamic Relations

- h) Proclamation issued by Supervisor Caput honoring El Pajaro Community Development Corporation on their 40th Anniversary
- i) Proclamation issued by Supervisor McPherson honoring Janinne Chadwick for her 2019 Hammer-Marcum Award
- j) Proclamation issued by Supervisor McPherson honoring Paul Norcutt for his 2019 Hammer-Marcum Award
- k) Proclamation issued by Supervisor Coonerty honoring Stephen Baiocchi on his retirement from Santa Cruz County Environmental Health
- l) Proclamation issued by Supervisor Leopold and Supervisor Friend honoring the 30th Anniversary of the Diversity Center
- m) Letter of Carol Childers, Chair, Santa Cruz County Seniors Commission, regarding acknowledging the Santa Cruz County Board of Supervisors support for the 2020 U.S. Census
- n) Letter of John Daugherty, Chair, Santa Cruz County Commission on Disabilities, regarding acknowledging the Santa Cruz County Board of Supervisors support for the 2020 U.S. Census
- o) Letter of John P. Donnelly, Executive Director, Wildlife Conservation Board, conveying notification regarding the Deadman II Forest Resilience Project to restore forest habitat
- p) Letter of John P. Erskine, Nossaman LLP, conveying his concerns relative to the October 8, 2019 hearing on Public Safety and Hazardous Management General Plan, Local Coastal Program and County Code Amendments
- q) Letter of Rosemary Kendall, conveying a copy of petitions regarding installing a walkway through the proposed development by Mid-Peninsula at Capitola Road, allowing access to Harper Street



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Board of Supervisors: Administration
(831) 454-2200

Subject: Presentation honoring Susan Rozario on her retirement

Meeting Date: November 5, 2019

Recommended Action(s):

Present proclamation to Senior Departmental Admin Analyst Susan Rozario on her retirement from the County of Santa Cruz.

Executive Summary

Ms. Rozario has done an outstanding job during her time with the County of Santa Cruz, and I am pleased to provide an opportunity to publicly recognize her contributions at our meeting on November 5, 2019.

Submitted by:

Ryan Coonerty, Chair, Board of Supervisors

**County of Santa Cruz Board of Supervisors****Agenda Item Submittal****From:** Clerk of the Board of Supervisors

(831) 454-2323

Subject: Final appointment to In-Home Supportive Services Advisory Commission**Meeting Date:** November 5, 2019**Recommended Action(s):**

Consider final appointment of Jozett Irgang to the In-Home Supportive Services Advisory Commission, as an at-large consumer representative, for a term to expire April 1, 2021.

Background

The Board accepted the nomination on October 22, 2019, as recommended by Supervisor Coonerty.

Submitted by:

Susan Galloway, Chief Deputy Clerk of the Board

Recommended by:

Carlos J. Palacios, County Administrative Officer



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: DPW: Recycling

(831) 454-2160

Subject: Approve Pollution Prevention Ordinance

Meeting Date: November 5, 2019

Recommended Actions

- 1) Approve in concept an ordinance to add a charge on single-use disposable cups at businesses in the unincorporated County;
- 2) Accept proposed Notice of Exemption from the California Environmental Quality Act (CEQA);
- 3) Schedule the ordinance for final adoption on November 19, 2019; and
- 4) Direct Public Works to conduct outreach and education to local businesses.

Executive Summary

In order to help reduce litter and pollution, the proposed ordinance would encourage the use of reusable cups by adding a mandatory charge of twenty-five cents for single-use disposable cups at all food service businesses within the unincorporated County beginning in 2021.

Background

On August 6, 2019, the Board heard a presentation on options for reducing litter and pollution in Santa Cruz County and directed staff to draft an ordinance requiring a fee for single use disposable cups. The proposed ordinance is consistent with the County's Zero Waste Plan and the Operational Plan's commitment to reduce plastic pollution.

Analysis

Santa Cruz County has always been a leader in environmental protection and pollution prevention. The County has taken several steps to address the problem, including bans on plastic bags and styrofoam, requirements for all food service products to be recyclable or compostable, an aggressive campaign against illegal dumping, and more. Despite these efforts, litter from food service businesses continues to be prevalent in County streets and open spaces, and additional efforts are needed.

There is ample evidence that modest charges for disposable products can help persuade consumers to embrace reusable options. When the County implemented a charge for single-use shopping bags, a study by Save our Shores indicated that more than 90% of shoppers switched to reusable bags within the first month. This behavior has continued in the years since and has now spread across California and beyond.

The City of Berkeley recently conducted a study of consumer choices about drinking vessels and potential measures to encourage the switch to reusable cups. The study found that the lowest charge likely to result in a significant shift in behavior was twenty-five cents. It is worth noting that Berkeley also added an administrative fee on businesses to help cover the city's cost of overseeing the program, which appears will be added to Berkeley's business license fee.

To address possible health and safety concerns, the proposed ordinance allows businesses to reject any refillable container that is dirty, damaged or otherwise unsuitable. There are also provisions for requesting exemptions where needed.

The initial ordinance would provide that all cup charges would remain with the individual merchant. Public Works is studying the possibility of either collecting the funds for use by the County for litter prevention and cleanup efforts or directing that the funds be expended for similar purposes through other means. Either step would require an election and approval by two-thirds of the voters, although a less specific revenue measure may require only 50% approval.

The potential revenue from such a step is hard to determine, for two reasons. First, estimates of local cup usage are based on extrapolations from state and national numbers and may not be completely accurate. Secondly, it is difficult to estimate the rate at which local consumers will switch to reusable cups. These uncertainties leave a wide range of potential revenue figures. Our best estimate is that for consumers who continue to use disposable cups and pay the charge, the revenue could exceed over \$1 million per year. It should be kept in mind that a program collecting funds from hundreds of local businesses would require cooperation with state authorities and necessitate significant County resources for tracking, auditing, enforcement, etc.

County staff have been in contact with staff and elected officials at local cities in an effort to ensure a consistent landscape of local laws across the County. The Santa Cruz City Council is planning to consider in January an ordinance very similar to the County's proposed ordinance. The City of Watsonville recently adopted a similar measure, although it set the initial cup charge at 10 cents instead of the 25 cents recommended in the proposed ordinances for both the City and County of Santa Cruz. Discussions with the other local cities are ongoing.

If the ordinance is approved by the Board, Public Works will conduct an extensive outreach and education campaign to provide local businesses with necessary information, assist with compliance and help to resolve any challenges.

Strategic Plan Elements

4. A, B, C (Sustainable Environment: Outdoor Experience, Natural Resources and Local Conservation)

Litter and plastic reduction supports efforts to enhance outdoor experiences, protects natural resources, supports clean water and conservation, and reduces solid waste handling.

Submitted by:

Matt Machado, Deputy CAO, Director of Public Works

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Ordinance (Clean Copy) - Attachment A
- b Notice of Exemption

ORDINANCE _____

ORDINANCE ADDING CHAPTER 5.47 TO THE COUNTY CODE TO ADDRESS LITTER AND POLLUTION REDUCTION AND SINGLE-USE DISPOSABLE CUPS

The Board of Supervisors of the County of Santa Cruz hereby finds and declares the following:

WHEREAS, the Board has determined that it is appropriate to implement restrictions on the distribution of single-use disposable cups; and

WHEREAS, the Board has determined that it is in the public interest for environmental, health, and safety reasons to implement a fee for single-use disposable cups at all businesses in the unincorporated areas of Santa Cruz County;

NOW THEREFORE, the Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

Chapter 5.47 is hereby added to the Santa Cruz County Code, to read as follows:

Chapter 5.47**LITTER AND POLLUTION REDUCTION – SINGLE USE DISPOSABLE CUPS**

Sections:

- 5.47.010 Findings and Purpose.**
- 5.47.020 Definitions.**
- 5.47.050 Mandatory charges for disposable cups.**
- 5.47.060 Reusable customer cups.**
- 5.47.070 Implementation.**
- 5.47.080 Exemptions.**
- 5.47.090 Enforcement.**
- 5.47.100 Violations.**
- 5.47.110 No conflict with Federal or State law.**
- 5.47.120 Severability.**

5.47.010 Findings and Purpose.

(A) The purpose of this chapter is to protect the health, safety and welfare of the public and protect the environment by reducing waste, litter and pollution.

Attachment A

(B) The County of Santa Cruz seeks to protect the environment, the economy, and public health by instituting appropriate limits on plastic waste pollution. The County of Santa Cruz also has an official Zero Waste goal, which is to be reached by waste reduction, reuse, recycling, and composting.

(C) The County of Santa Cruz is situated at the edge of the Monterey Bay National Marine Sanctuary. Material which is littered or otherwise deposited improperly in the County can find its way into the Monterey Bay and can negatively impact the marine environment and sea life.

(D) Single use disposable cups are a major contributor to street litter, ocean pollution, harm to marine and other wildlife, and greenhouse gas emissions.

(E) The production, consumption and disposal of single use cups contributes significantly to the depletion of natural resources. Litter in waterways and oceans breaks down into smaller pieces that are not biodegradable and are present in most of the world's oceans.

(F) Some single use cups can contain harmful fluorinated chemicals which are linked to serious health conditions.

(G) Food and beverage single use food ware products make up approximately 25% of all waste produced in California. In Santa Cruz County, the majority of street litter consists of food and beverage packaging and this packaging is a significant contributor to the total amount of waste entering the waste stream.

(H) It is in the interest of the health, safety and welfare of all who live, work and do business in the County that the amount of litter on public streets, parks and in other public places be reduced. The County seeks to eliminate solid waste at its source and maximize recycling and composting in accordance with its Zero Waste Goals. Reduction of single use cups furthers this goal.

(I) This chapter is consistent with the County's Climate Action Plan, Integrated Waste Management Plan, and the CalRecycle recycling and waste disposal regulations contained in Titles 14 and 27 of the California Code of Regulations.

5.47.020 Definitions.

For purposes of this Chapter:

(A) "Director" means the Director of the Department of Public Works or their designee.

(B) "Single-use disposable cup" is a beverage cup designed for single use to serve beverages such as water, cold drinks, hot drinks, and alcoholic beverages.

(C) "Event" means any gathering held on County property, including a County street, park or other facility, and subject to a County permit, where more than 100 people attend or participate.

Attachment A

(D) "Participant athletic event" means an athletic event in which a group of people collectively walk, jog, run, bicycle or otherwise participate in a sport or activity on County property, including a County street.

(E) "Person" means any individual, group, company, organization or other entity.

(F) "Prepared Food" means foods or beverages which are prepared on the vendor's premises by cooking, chopping, slicing, mixing, freezing, squeezing, or other processing and which require no further preparation to be consumed. "Prepared Food" does not include raw uncooked whole fruits or vegetables which are not chopped, squeezed, or mixed, or raw uncooked meat products.

(G) "Prepared Food Vendor" means any establishment located within the County of Santa Cruz, including a bakery, cafeteria, drive-in, food products store, food service establishment (carry-out, quick-service, full-service), drugstore or theater, mobile food facility, temporary food facility (e.g., see California Health and Safety Code Section 113831 and 113930), bar or other similar establishment, selling Prepared Food to be consumed on or off its premises.

(H) "Reusable cup" means a cup, glass or other beverage container that is manufactured of durable materials and that is specifically designed and manufactured to be washed and sanitized and to be used repeatedly over an extended period of time, and is safe for washing and sanitizing according to applicable regulations.

(I) "Takeout food delivery service" means a third-party delivery service which picks up takeout food from a prepared food vendor and delivers it to the customer for consumption off the premises of the Prepared Food Vendor.

5.47.050 Mandatory charges for disposable cups.

(A) Any person, business, event, food truck, or other entity, including both permanent and temporary facilities, which sells or provides hot or cold beverages in a single-use disposable cup must charge an additional twenty-five cents for each cup. Sellers may not waive or absorb such charges.

(B) Charges for disposable cups shall be identified separately on any post-sale receipt provided and, pre-sale, shall be clearly identified for the customer on media such as menus, ordering platforms, and/or menu boards. Customers placing orders online or by telephone shall be informed of disposable cup charges at the time the order is placed. All cup charges shall be retained by the seller.

(C) Businesses may not charge for use of a reusable cup provided by the customer.

5.47.060 Reusable customer cups.

Except as provided in Chapter 11 of Part Seven of Division 104 of the California Health and

Attachment A

Safety Code (Temporary Food Facilities), customers may provide their own reusable cups for beverage service in accordance with Health and Safety Code Section 114075(e), as it may be amended. Prepared food vendors may refuse, at their sole discretion, any customer-provided reusable cup that is cracked, chipped or corroded, appears inappropriate in size, material, or condition for the intended beverage, or that appears to be excessively soiled or unsanitary, and instead require use of a reusable cup for a beverage consumed on the premises, or a disposable cup that conforms to the Disposable Cup Standards in Chapter 5.46, "Environmentally Acceptable Packaging Materials," and will collect from the customer the required charge.

5.47.070 Implementation.

(A) No less than 60 days after final adoption, the Director shall post, mail or deliver a copy of the ordinance adopting this chapter to affected businesses within the unincorporated area of the County of Santa Cruz.

(B) The Director shall use additional outreach and education measures to publicize this ordinance and to assist affected persons or businesses with implementation.

(C) This ordinance shall take effect as of January 1, 2021.

5.47.080 Exemptions.

(A) All customers demonstrating, at the point of sale, a payment card or voucher issued by the California Special Supplemental Food Program for Women, Infants, and Children (WIC) pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the California Health and Safety Code, as it may be amended, or an electronic benefit transfer card (EBT) issued pursuant to Section 10072 of the California Welfare and Institutions Code, shall be exempt from the disposable cup charge.

(B) The Director may exempt an affected business or person from the requirements set forth in this chapter for no more than one year upon the affected business or person showing, in writing, that this chapter would create an undue hardship or practical difficulty not generally applicable to other businesses or persons in similar circumstances. The decision to grant or deny an exemption shall be in writing, and the Director's decision shall be final

- 1) An exemption application shall include all information necessary for the Director to make a decision on the exemption application, including but not limited to documentation showing factual support for the claimed exemption.
- 2) The Director may approve the exemption application in whole or in part, with or without conditions.
- 3) The decision of the Director shall be final and may not be appealed to any other person or body.

5.47.090 Enforcement.

Enforcement of this chapter shall be as follows:

Attachment A

- (A) The Director shall have primary responsibility for enforcement of this chapter and shall have authority to issue citations for violation of this chapter. The Director is authorized to establish regulations or administrative procedures to ensure compliance with this chapter.
- (B) The County may seek legal, injunctive, or any other relief to enforce the provisions of this chapter and any regulation or administrative procedure authorized by it.
- (C) The remedies and penalties provided in this chapter are cumulative and not exclusive of one another.
- (D) The Director may inspect any business establishment's records or premises to verify compliance with this chapter.

5.47.100 Violations.

Violations of this chapter shall be enforced as follows:

- (A) Violation of this chapter is hereby declared to be a public nuisance. Any violation shall be subject to abatement by the County, as well as any other remedies that may be permitted by law for public nuisances, and may be enforced by injunction, upon a showing of violation.
- (B) Upon a first violation, the Director shall mail a written warning. The warning shall recite the violation and advise that future violations may result in fines.
- (C) Upon a second or subsequent violation, or failure to correct the initial violation, the following penalties will apply:
 - (1) A fine not exceeding \$100.00 for the first violation that occurs 30 days or more after the first warning.
 - (2) A fine not exceeding \$200.00 for the second violation, or failure to correct the initial violation, that occurs 60 days or more after the first warning.
 - (3) A fine not exceeding \$500.00 for the third violation, or failure to correct the initial violation, that occurs 90 days or more after the first warning.
 - (4) A fine not exceeding \$500.00 for every 30-day period not in compliance, or part thereof, that occurs 90 days or more after the first warning.
- (D) Remedies and fines under this section are cumulative.

5.47.110 No conflict with Federal or State law.

Nothing in this chapter shall be interpreted or applied so as to create any requirement, power, or duty in conflict with any Federal or State law.

Attachment A

5.47.120 Severability.

If any word, phrase, sentence, part, section, subsection, or other portion of this chapter, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the proscribed application thereof, shall be severable, and the remaining provisions of this chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The Board of Supervisors hereby declares that it would have enacted this chapter, and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases had been declared invalid or unconstitutional.

SECTION II

The Board finds and determines that adoption of this Ordinance is categorically exempt from the provisions of the California Environmental Quality Act under California Code of Regulations Title 14, Section 15308, as an action taken by a regulatory agency to ensure the maintenance, restoration, enhancement, or protection of the environment.

SECTION III

This ordinance shall take effect the 1st day of January 2020.

Passed and adopted this ____ day of _____, 20____, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS
 NOES: SUPERVISORS
 ABSENT: SUPERVISORS
 ABSTAIN: SUPERVISORS

 Chairperson of the Board of Supervisors

Attest: _____
 Clerk of the Board

APPROVED AS TO FORM:


 Office of the County Counsel



County of Santa Cruz

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR

www.sccoplanning.com

NOTICE OF EXEMPTION

To: Clerk of the Board
Attn: Susan Galloway
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Project Name: Single-use Disposable Cup Ordinance

Project Location: County-wide (unincorporated only)

Assessor Parcel No.: N/A

Project Applicant: County of Santa Cruz Department of Public Works

Project Description: Adoption of an ordinance requiring a \$.25 charge for all single use disposable cups when hot or cold beverages are sold

Agency

Approving Project: County of Santa Cruz

County Contact: Tim Goncharoff

Telephone No. 831-454-2160

Date Completed:

This is to advise that the County of Santa Cruz (*insert County decision-making body*) has approved the above described project on _____ (date) and found the project to be exempt from CEQA under the following criteria:

Exempt status: (*check one*)

- ☐ The proposed activity is not a project under CEQA Guidelines Section 15378.
- ☐ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).
- ☐ The proposed activity is exempt from CEQA as specified under CEQA Guidelines Section 15061(b)(3).
- ☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.
- ☐ **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).

Specify type:

☒ **Categorical Exemption**

Class 8 – Actions by Regulatory Agencies for Protection of the Environment

Reasons why the project is exempt:

The purpose of this ordinance is to protect the health, safety and welfare of the public and protect the environment by reducing waste, litter and pollution. The County of Santa Cruz has an obligation to protect the environment, the economy, and public health. The County of Santa Cruz has an official Zero Waste goal, which is to be reached by waste reduction, reuse, recycling, and composting. The County of Santa Cruz is situated at the edge of the Monterey Bay National Marine Sanctuary. Material which is littered or otherwise deposited improperly in the County can find its way into the Monterey Bay and can negatively impact the marine environment and sea life. Single use disposable cups are a major contributor to street litter, ocean pollution, marine and other wildlife harm and greenhouse gas emissions. The production, consumption and disposal of single use cups contributes significantly to the depletion of natural resources. Litter in waterways and oceans breaks down into smaller pieces that are not biodegradable and are present in most of the world's oceans. Some single use cups can contain harmful fluorinated chemicals which are linked to serious health conditions. Adoption of this ordinance is categorically exempt under Section 15308, as an action taken by a regulatory agency to assure the maintenance, restoration, enhancement, or protection of the environment.

Signature: _____

Date: _____

Title: Environmental Coordinator



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Health Services Agency: Administration Division

(831) 454-4000

Subject: Ordinance Establishing a Syringe Services Program Advisory Commission

Meeting Date: November 5, 2019

Recommended Actions:

- 1) Consider and approve in concept the attached ordinance establishing Chapter 2.125 of the Santa Cruz County Code in order to create a Syringe Services Program Advisory Commission, as amended on October 22, 2019 to provide for an administrative clarification; and
- 2) Schedule the ordinance for its second reading and final adoption on November 19, 2019.

Executive Summary

On June 11, 2019, the Health Services Agency (HSA) presented the 2017-2019 Biennial Report and presentation on the Syringe Services Program. During this meeting, the Board directed HSA to return on September 24, 2019 with an ordinance to change the Syringe Services Advisory Group to a seven-member Syringe Services Program Advisory Commission, with one seat appointed per district and two seats appointed at-large. On October 22, 2019, HSA presented, in concept, an ordinance establishing Chapter 2.125 of the Santa Cruz County Code creating the Syringe Services Program Advisory Commission. The ordinance was amended to account for an administrative clarification in the procedure for designating two at-large Commission members. HSA is now returning to the Board to consider and approve in concept the amended ordinance.

Background

In an effort to enhance syringe exchange services in the County while mitigating any negative impacts of the program, a Syringe Services Advisory Body was formed in 2013. The Advisory Body comprised law enforcement, local stakeholder agencies, and content experts to advise HSA on the provision of syringe services in the community. The membership included representatives from the City of Santa Cruz Police Department, City of Santa Cruz Administration, City of Watsonville Administration, California Department of Public Health, Janus of Santa Cruz, the Santa Cruz AIDS Project, the Harm Reduction Coalition of Santa Cruz County, Westside Pharmacy, the University of California Santa Cruz, United Way of Santa Cruz County, Santa Cruz County Probation Department, and other local agencies. The Advisory Group met regularly to monitor the program.

Analysis

The Syringe Services Program Advisory Commission will be established under the

authority of California Government Code section 31000.1, with one seat appointed per district and two seats appointed at-large. In an effort to enhance syringe exchange services in the County while mitigating any negative impacts of the program, the Syringe Services Program Advisory Commission will:

- Serve in an advisory capacity to the Board, as the governing body of HSA's Syringe Services Program, and any administrative body in the County concerned with the delivery and administration of the Syringe Services Program;
- Help increase coordination between agencies, departments, and jurisdictions to enhance syringe exchanges services while mitigating any negative impacts of the program;
- Review policies related to the delivery of HSA's Syringe Services Program and make recommendations to the Board of Supervisors regarding any proposed changes;
- Review pending State and Federal legislation that may impact the Syringe Services Program, consumers, and/or providers, and make recommendations to the Board regarding any proposed changes;
- Stay informed and educated on syringe exchange services; and
- Provide a forum for consumers and other parties interested in syringe exchange services related to policy and program development.

Once this ordinance is approved in concept by the Board, HSA will return on November 19, 2019 for consideration of its second reading and adoption.

Strategic Plan Element

This item supports the County Strategic Plan Element 1.A, Comprehensive Health & Safety: Health Equity by promoting a safe and healthy community that nurtures body and mind across all ages and social conditions.

Submitted by:

Mimi Hall, Director of Health Services Agency

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Ordinance Chapter 2.125 - SSP Advisory Commission
- b Ordinance Ch 2.125 - SSP Advisory Commission (amended 10-22-2019)
- c Public comments (various, rec'd 10-21-2019)

ORDINANCE NO. ____

**ORDINANCE ADDING CHAPTER 2.125 TO THE SANTA CRUZ COUNTY CODE
RELATING TO THE CREATION OF THE SYRINGE SERVICES PROGRAM
ADVISORY COMMISSION**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

The Santa Cruz County Code is hereby amended by adding Chapter 2.125, entitled "Syringe Services Program Advisory Commission." This Chapter is to read as follows:

**Chapter 2.125
Syringe Services Program Advisory Commission**

Sections:

- 2.125.010** **Established--Statutory authority.**
- 2.125.020** **Membership.**
- 2.125.030** **Term of office.**
- 2.125.040** **Organization and procedures.**
- 2.125.050** **Powers and duties.**

2.125.010 **Established--Statutory authority.**

The Syringe Services Program Advisory Commission is established under the authority of California Government Code Section 31000.1.

2.125.020 **Membership.**

The Syringe Services Program Advisory Commission shall consist of seven voting members, residents of the County, appointed by the Board of Supervisors in the following manner:

- (A) Each Supervisor shall nominate one person who may reside within the Supervisor's district; and
- (B) The remaining two members shall be appointed at-large.

2.125.030 Term of office.

Each member nominated by an individual Supervisor shall serve for a term of four years, commencing on April 1st of the year in which such member's nominating Supervisor begins a full term. At-large members shall serve for a term of four years, commencing on the date of appointment.

2.125.040 Organization and procedures.

(A) General Organization. The Commission shall comply in all respects with SCCC 2.38.110 through 2.38.250, unless otherwise provided herein.

(B) Quorum. The quorum for the Commission shall be one person more than one-half of the appointed members. This quorum requirement constitutes an exception to SCCC 2.38.150.

(C) Support Staff. The Health Services Agency of the County shall provide administrative staff support to the Commission.

2.125.050 Powers and duties.

The Syringe Services Program Advisory Commission shall exercise the following responsibilities:

- (A) Help increase coordination between agencies, departments, jurisdictions and other stakeholders related to the delivery of services provided by the Syringe Services Program;
- (B) Review policies related to the delivery of services under the Syringe Services Program and make recommendations to the Board of Supervisors regarding any proposed changes;
- (C) Review pending State and federal legislation that may impact the Syringe Services Program, consumers, and/or providers and make recommendations to the Board of Supervisors regarding any proposed changes;
- (D) Stay informed and educated on syringe services and related public health strategies; and
- (E) Provide a forum for consumers and other parties interested in syringe services to contribute ideas to policy and program development.

SECTION II

This ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED this 22nd day of October 2019 by the Board of Supervisors of the County of Santa Cruz by the following vote:

Ayes: Supervisors
Noes: Supervisors
Absent: Supervisors
Abstain: Supervisors

Chair of the Board of Supervisors

ATTEST: _____
Clerk of the Board

Approved as to form:

JWH 10/30/19
Office of the County Counsel

cc: Health Services Agency
County Counsel

ORDINANCE NO. _____

**ORDINANCE ADDING CHAPTER 2.125 TO THE SANTA CRUZ COUNTY CODE
RELATING TO THE CREATION OF THE SYRINGE SERVICES PROGRAM
ADVISORY COMMISSION**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

The Santa Cruz County Code is hereby amended by adding Chapter 2.125, entitled "Syringe Services Program Advisory Commission." This Chapter is to read as follows:

**Chapter 2.125
Syringe Services Program Advisory Commission**

Sections:

- 2.125.010 Established--Statutory authority.**
- 2.125.020 Membership.**
- 2.125.030 Term of office.**
- 2.125.040 Organization and procedures.**
- 2.125.050 Powers and duties.**

2.125.010 Established--Statutory authority.

The Syringe Services Program Advisory Commission is established under the authority of California Government Code Section 31000.1.

2.125.020 Membership.

The Syringe Services Program Advisory Commission shall consist of seven voting members, residents of the County, appointed by the Board of Supervisors in the following manner:

(A) Each Supervisor shall nominate one person who may reside within the Supervisor's district; and

(B) The remaining two members shall be ~~at large appointments designated for nomination by the Director of the Health Services Agency or their designee.~~ appointed at large.

2.125.030 Term of office.

Each member nominated by an individual Supervisor shall serve for a term of four years, commencing on April 1st of the year in which such member's nominating Supervisor begins a full term. At-large members shall serve for a term of four years, commencing on the date of appointment.

2.125.040 Organization and procedures.

(A) General Organization. The Commission shall comply in all respects with SCCC 2.38.110 through 2.38.250, unless otherwise provided herein.

(B) Quorum. The quorum for the Commission shall be one person more than one-half of the appointed members. This quorum requirement constitutes an exception to SCCC 2.38.150.

(C) Support Staff. The Health Services Agency of the County shall provide administrative staff support to the Commission.

2.125.050 Powers and duties.

The Syringe Services Program Advisory Commission shall exercise the following responsibilities:

- (A) Help increase coordination between agencies, departments, jurisdictions and other stakeholders related to the delivery of services provided by the Syringe Services Program;
- (B) Review policies related to the delivery of services under the Syringe Services Program and make recommendations to the Board of Supervisors regarding any proposed changes;
- (C) Review pending State and federal legislation that may impact the Syringe Services Program, consumers, and/or providers and make recommendations to the Board of Supervisors regarding any proposed changes;
- (D) Stay informed and educated on syringe services and related public health strategies; and
- (E) Provide a forum for consumers and other parties interested in syringe services to contribute ideas to policy and program development.

SECTION II

This ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED this _____ day of _____, 2019 by the Board of Supervisors of the County of Santa Cruz by the following vote:

Ayes: Supervisors
Noes: Supervisors
Absent: Supervisors
Abstain: Supervisors

CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: _____
Clerk of the Board

Approved as to form:

 10/9/2019
Office of the County Counsel

cc: Health Services Agency
County Counsel



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Counsel

(831) 454-2040

Subject: Eleventh County Code Update Ordinance, Various Provisions

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Consider and approve in concept the attached Ordinance repealing and amending various provisions of the Santa Cruz County Code; and
- 2) Schedule a second reading and final adoption of the Ordinance for November 19, 2019.

Executive Summary

This item is the eleventh in a series of ordinances designed to update the County Code.

Background/Analysis

County Counsel has been methodically reviewing the County Code to determine where the Code is out-of-date due to changes in State law or changes to County programs. In addition, we have been addressing typographical errors, moving to gender-neutral language, and trying to make the Code a more readable, useable document for the public.

This ordinance addresses chapters in Title 9 of the County Code. Recommended changes in this update concern codes related to County traffic and parking regulations. Impacted departments were given the opportunity to review and contribute to the recommended changes where applicable.

Attachment A is a draft ordinance containing the recommended changes for County Code Chapters 9.08, 9.16, 9.20, 9.24, 9.28, 9.32, 9.36, 9.37, 9.45, and 9.46. The remaining attachments (B through K) contain strike-out/underline versions of the various Code chapters at issue, reflecting the changes that are being recommended.

The formal title of the Code chapters addressed in this item are as follows:

Speed Limits (Chapter 9.08) -- Attachment B

Limited-Access Thoroughfares (Chapter 9.16) -- Attachment C

One-Way Streets (Chapter 9.20) -- Attachment D

Private Roads (Chapter 9.24) -- Attachment E

Stop Intersections (Chapter 9.28) -- Attachment F

Yield Right-of-Way Intersections (Chapter 9.32) -- Attachment G

Parking (Chapter 9.36) -- Attachment H

Parking in Beach Areas (Chapter 9.37) -- Attachment I

Felton Library Parking Only Zone (Chapter 9.45) -- Attachment J

Fall Creek Permit Parking Zone (Chapter 9.46) -- Attachment K

Strategic Plan Element(s)

This item implements the Strategic Plan focus area of County Operational Excellence, specifically the elements of Continuous Process Improvement and Customer Experience.

Submitted by:

Jason Heath, Chief Assistant County Counsel

Attachments:

- a Ordinance -- Attachment A
- b Code Update 9.08 (Strike-Out Underline) -- Attachment B
- c Code Update 9.16 (Strike-Out Underline) -- Attachment C
- d Code Update 9.20 (Strike-Out Underline) -- Attachment D
- e Code Update 9.24 (Strike-Out Underline) -- Attachment E
- f Code Update 9.28 (Strike-Out Underline) -- Attachment F
- g Code Update 9.32 (Strike-Out Underline) -- Attachment G
- h Code Update 9.36 (Strike-Out Underline) -- Attachment H
- i Code Update 9.37 (Strike-Out Underline) -- Attachment I
- j Code Update 9.45 (Strike-Out Underline) -- Attachment J
- k Code Update 9.46 (Strike-Out Underline) -- Attachment K

ATTACHMENT A

ORDINANCE NO. _____

ORDINANCE AMENDING CHAPTERS 9.08, 9.16, 9.20, 9.24, 9.28, 9.32, 9.36, 9.37, 9.45, AND 9.46 OF THE SANTA CRUZ COUNTY CODE TO CORRECT TYPOGRAPHICAL ERRORS, ADDRESS ORGANIZATIONAL ISSUES, ALIGN THE CODE WITH CHANGES TO STATE LAW, DELETE UNNECESSARY MATERIAL, AND MAKE ADDITIONAL MISCELLANEOUS CHANGES

The Board of Supervisors of Santa Cruz County hereby finds and declares the following:

WHEREAS, the Board has determined that it is appropriate to update certain provisions of the County Code to address changes in State law, correct typographical errors, delete unnecessary words, phrases, chapters, or sections, and revise language to make the Code more readable and usable for the public;

NOW THEREFORE the Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

Sections 9.08.040, 9.08.060, 9.08.070, and 9.08.080 of the Santa Cruz County Code are hereby amended to read as follows:

9.08.040 Twenty-five miles per hour.

There is determined and declared a speed limit of 25 miles per hour on the following named roads:

6th Avenue, for its entire length northerly from East Cliff Drive;

7th Avenue, for its entire length from Soquel Avenue to East Cliff Drive;

30th Avenue, from the Santa Cruz Branch Rail Line to Capitola Road;

41st Avenue.

(1) From the Capitola city limits south to East Cliff Drive,

(2) From the Capitola city limits north to Soquel Drive;

Amesti Road.

(1) Beginning at Green Valley Road for a distance of 0.40 miles northerly,

(2) Between Vami Road and Crow Avenue;

Beach Drive, for its entire length southeasterly from Rio Del Mar Boulevard;

Beverly Drive, for its entire length easterly from State Highway Route 152;

Brommer Street, for its entire length westerly from the city of Capitola;

Calabasas Road, from Buena Vista Drive to Via Nicola;

Canham Road, for its entire length from the city of Scotts Valley;

Cathedral Drive, from Trout Gulch Road northerly 1.40 miles;

Chanticleer Avenue, from Soquel Avenue to Kinsley Street;

Cherryvale Avenue, for its entire length;

Cliff Drive, from Rio Del Mar Boulevard to Bay View Drive;

Club House Drive, for its entire length southeasterly from Rio Del Mar Boulevard;

College Road, for its entire length easterly from State Highway Route 152;

Corralitos Road, from Hames Road to Aldridge Lane;

Cunningham Way, for its entire length;

Day Valley Road from Freedom Boulevard to McDonald Road;

Day Valley Road, from Valencia Road to McDonald Road;

Dick Phelps Road, for its entire length of 0.13 miles easterly from Green Valley Road;

Double Bogey Drive, for its entire length from Hilton Drive;

East Cliff Drive, from 5th Avenue to 41st Avenue;

East Zayante Road, from 0.10 miles north of Lompico Road to 0.20 miles north of Westwood Road;

El Rancho Drive, from a point 0.1 miles north of its intersection with La Madrona Drive to a point 0.4 miles north;

Fairway Drive, from Soquel Drive northerly for a distance of 0.92 miles;

Fall Creek Road, for its entire length southwesterly from State Highway 9;

Glen Haven Road, from Cherryvale Avenue to its end;

Glenn Coolidge Drive, from High Street to Hagar Drive;

Hames Road.

(1) From Corralitos Road to a point 0.82 miles northwesterly of its intersection with Corralitos Road,

(2) From Freedom Boulevard to Pleasant Valley Road;

Hihn Road, from Glen Arbor Road for its entire length;

Hilton Drive, for its entire length from State Highway 236;

Holohan Road.

(1) From Green Valley Road easterly for a distance of 0.2 miles,

(2) From a point 720 feet northwesterly from its intersection with State Highway 152;

Huntington Drive, for its entire length northerly from Wallace Avenue;

La Cuesta Drive, from city limits of Scotts Valley Drive to Canepa Drive;

Lake Drive, for its entire length east and west of Hare Way;

Laken Drive, as the same is delineated on the map of Orchard Park Subdivision, Tract Nos. 1 and 2. No. 1 is recorded in Volume 29 of Maps at page 53; No. 2 is recorded in Volume 31 of Maps at page 30 in the office of the County Recorder;

Lakeview Road, from 0.10 miles northerly of Meredith Drive to 0.20 miles southerly of Crestwood Drive;

Lakeview Drive, Felton, for its entire length;

Larkin Valley Road, from a point 2.5 miles north of Buena Vista Drive, northerly for a distance of 0.8 miles;

Lompico Road, for its entire length northerly from East Zayante Road;

Main Street, from Porter Street to Cherryvale Avenue;

Manfre Road, from Larkin Valley Road to Buena Vista Drive;

Mar Monte, from San Andreas Road to Alta Drive;

Martin Drive, from Rio Del Mar Boulevard to Cliff Drive;

Meidl Road, for its entire length of 0.21 miles southerly from Minto Road;

Minto Road, for a distance of 0.13 miles easterly from Green Valley Road;

Newell Creek Road, from Glen Arbor Road to Rancho Rio Avenue;

Ocean Street, from Crossing Street to the end;

Olive Springs Road, for its entire length;

Opal Cliffs Drive, for its entire length easterly from 41st Avenue;

Playa Boulevard, for its entire length southwesterly from San Andreas Road;

Porter Street, from Highway 1 to Paper Mill Road;

Portola Drive, from 41st Avenue to the city limits of Capitola;

Redwood Drive, Felton, for its entire length;

Rio Del Mar Boulevard, from State Highway 1 to the Esplanade;

Riva Ridge Road, from Hutchinson Road to Mt. Charlie Road;

San Lorenzo Avenue, from State Highway 9 westerly for a distance of 0.68 miles;

Sims Road, for its entire length;

Soquel Avenue, from Paul Minnie Avenue to Soquel Drive;

Soquel Drive.

- (1) From Robertson Street to Rosedale Avenue,
- (2) From the westerly intersection of Ledyard Way to 0.3 miles east of Aptos Street;

State Park Drive, from Santa Cruz Avenue to Soquel Drive;

Sumner Avenue.

- (1) From Rio Del Mar Boulevard to Los Altos Drive,
- (2) For its entire length easterly from Clubhouse Drive;

Thurber Lane, for its entire length northerly from Winkle Avenue;

Trembly Lane, for its entire length;

Trout Gulch Road, from Soquel Drive to Cathedral Drive;

Wallace Avenue, for its entire length northerly from Huntington Drive;

Whiting Road, from a point 0.63 miles southwesterly of Casserly Road to Paulsen Road. [Ord. 5036 § 1, 2009; Ord. 4918 § 1, 2008; Ord. 4832 § 2, 2006].

9.08.060 Thirty-five miles per hour.

There is determined and declared a speed limit of 35 miles per hour on the following named roads:

Airport Boulevard, from city limits of Watsonville to Green Valley Road;

Amesti Road, from East Riando Road to Varni Road;

Bear Creek Road, from Pilger Road to State Highway 35;

Bonny Doon Road, from 0.9 miles north of Pine Flat Road intersection to 1.7 miles north of this point;

Branciforte Drive, from city limits of Santa Cruz to Mountain View Road;

Browns Valley Road, from a point 0.7 miles north of its intersection with Amesti Road to a point 1.6 miles north of its intersection with Amesti Road;

Buena Vista Drive, from Highway 1 to San Andreas Road;

Cabrillo College Drive from Park Avenue a distance of 0.66 miles;

Capitola Road, from the city limits of Santa Cruz to Seventh Avenue;

Casserly Road for its entire length;

Conference Drive.

(1) From Graham Hill Road to Roaring Camp Road,

(2) From Mt. Hermon Road to end;

Corralitos Road, from Freedom Boulevard to Aldridge Lane;

Felton-Empire Road, for a distance of 0.6 miles westerly from State Route 9;

Graham Hill Road.

(1) From the Santa Cruz city limits to Treetop Lane,

(2) From the Probation Center northerly to the railroad tracks;

Green Valley Road, from the Corralitos Creek crossing to a point 2.0 miles northerly of Casserly Road;

Hames Road from a point 0.82 miles northwesterly of its intersection with Corralitos Road to Pleasant Valley Road;

Lakeview Road, from 0.20 miles southerly of Crestwood Drive to State Highway Route 129;

Larkin Valley Road.

(1) From Watsonville city limits to Buena Vista Drive,

(2) From a point 1.5 miles north of Buena Vista Drive northerly for a distance of 1.0 miles,

(3) From a point 3.3 miles north of Buena Vista Drive to Highway 1;

Lockewood Lane, from Graham Hill Road to the city limits of Scotts Valley;

McDonald Road, from Freedom Boulevard to Day Valley Road;

Mount Madonna Road, from Casserly Road to 0.6 miles northwest of Casserly Road;

Newell Creek Road, from Rancho Rio Avenue to its northerly termination;

Park Avenue, from Soquel Drive to the city limits of Capitola;

Pleasant Valley Road, from Hames Road to Freedom Boulevard;

Plymouth Street, from the city of Santa Cruz to Pasatiempo overcrossing;

Quail Hollow Road, from a point 1.2 miles east of Glen Arbor Road to East Zayante Road;

Soquel Avenue.

- (1) From Gross Road to Paul Minnie Avenue,
- (2) From Santa Cruz city limits to Soquel Drive;

Soquel Drive.

- (1) From Rosedale Avenue to the westerly intersection of Ledyard Way,
- (2) From Soquel Avenue to Robertson Street,
- (3) From 0.3 miles east of Aptos Street to Freedom Boulevard;

Soquel-San Jose Road, from Paper Mill Road to a point 1.4 miles north of Soquel Drive;

Sumner Avenue, from Los Altos Drive to Clubhouse Drive;

Thurber Lane, from Soquel Drive to Helen Avenue;

Trabing Road for its entire length;

Trout Gulch Road, from Cathedral Drive to Valencia Road;

Valencia Road, from Trout Gulch Road to Valencia School Road;

Varni Road from Amesti Road to Corralitos Road;

West Zayante Road, for its entire length;

Wheelock Road, for its entire length;

Whiting Road, from Casserly Road to a point 0.63 miles southwesterly. [Ord. 5275 § 1, 2018; Ord. 5036 § 3, 2009; Ord. 4918 § 3, 2008; Ord. 4832 § 2, 2006].

9.08.070 Forty miles per hour.

There is determined and declared a speed limit of 40 miles per hour on the following named roads:

Amesti Road from 0.4 miles northwesterly of Green Valley Road to East Riando Road;

Beach Road from the city limits of Watsonville southwesterly for its entire length;

Bear Creek Road, from Keller Drive to Pilger Road;

Browns Valley Road, from a point 1,600 feet northerly of Amesti Road to a point 0.7 miles northerly of Amesti Road;

Buena Vista Drive, from Manfre Road to State Highway One;

Calabasas Road, from Via Nicola to a point 0.75 miles westerly;

Carlton Road, from State Highway 152 to State Highway 129;

East Zayante Road, from Graham Hill Road to 0.10 miles north of Lompico Road;

Empire Grade, from the city limits of Santa Cruz to the end;

Freedom Boulevard.

(1) From a point 0.3 miles west of its intersection with Corralitos Road, to a point 0.2 miles east of its intersection with Corralitos Road,

(2) From Bowker Road to Buena Vista Drive;

Glenwood Drive, for its entire length northerly of Scotts Valley city limits;

Lakeview Road, from Carlton Road to 0.10 miles northerly of Meredith Drive;

Larkin Valley Road, from Buena Vista Drive to a point 1.5 miles northerly;

MacGregor Drive, from the city limits of Capitola to Searidge Drive;

San Andreas Road, from State Highway Route 1 to 0.25 miles northwesterly of Mar Monte Boulevard;

Soquel-San Jose Road, from a point 1.4 miles north of Soquel Drive to Summit Road;

Summit Road, from the Santa Clara County line to Soquel-San Jose Road. [Ord. 5275 § 2, 2018; Ord. 5039 § 2, 2009; Ord. 4918 § 4, 2008; Ord. 4832 § 2, 2006].

9.08.080 Forty-five miles per hour.

There is determined and declared a speed limit of 45 miles per hour on the following named roads:

Freedom Boulevard.

- (1) From a point 0.2 miles east of its intersection with Corralitos Road to Bowker Road,
- (2) From Rob Roy Junction to a point 0.3 miles westerly of Corralitos Road;

Glenn Coolidge Drive, from Hagar Drive to Santa Cruz city limits;

Graham Hill Road from Treetop Lane to the County Probation Center;

Holohan Road, from a point 0.2 miles east of Green Valley Road to a point 720 feet west of State Route 152;

Mount Hermon Road from Graham Hill Road to the city limits of Scotts Valley;

Pioneer Road from Green Valley Road to Amesti Road;

Pine Flat Road from Martin Road to Comstock Lane;

San Andreas Road, from 0.35 miles southerly of the Santa Cruz Branch Rail Line underpass at Manresa Beach to Beach Road. [Ord. 5039 § 3, 2009; Ord. 4832 § 2, 2006].

SECTION II

Sections 9.16.020 and 9.16.040 of the Santa Cruz County Code are hereby amended to read as follows:

9.16.020 Designated limited-access thoroughfares.

The following roads or passageways shall be limited-access thoroughfares:

(A) Ben Lomond Toll Road. The portion of Ben Lomond Toll Road (also known as Old County Road) from the intersection of Brooks Road north to 9550 Ben Lomond Toll Road shall be restricted to pedestrian, equestrian and bicycle use, and for emergency and utility vehicle access.

(B) Buena Vista-Calabasas Bikepath. The designated portion of the southerly side of Buena Vista Drive from Memorial Avenue to Calabasas Road, and the designated portion of the southerly side of Calabasas Road from Buena Vista Drive to Bradford Road;

(C) Buzzard Lagoon Road (Pedestrian and Equestrian Way During Winter Months). The portion of Buzzard Lagoon Road between its intersection with Highland Way and a point 100 yards north of Vaca Del Sol shall be restricted to pedestrian and equestrian traffic between October 15th and April 15th of each year, except during such limited periods as the Area Manager of the State Department of Parks and Recreation determines the road can be opened for motor vehicle traffic without damage to the road or to surrounding property, and except for persons with a legal right-of-way on Buzzard Lagoon Road who are given keys by the Director of the Department of Public Works for vehicle access through the locked gates on the road.

(D) Freedom Boulevard Bikepath. The designated portion of the easterly side of Freedom Boulevard, from Highway 1 to Valencia Road;

(E) Green Valley Road Bikepath. The designated portion of the westerly side of Green Valley Road from the entrance to Pinto Lake Park to Dalton Lane, and the designated portion of the easterly side of Green Valley Road from Dalton Lane to Mesa Verde Drive;

(F) Loma Prieta Avenue Bikepath. The designated 10-foot right-of-way from the intersection of Airport Road and Holly Drive to Loma Prieta Avenue;

(G) Pajaro Bikepath. The top of the northerly levee along the Pajaro River, between Main Street in Watsonville and Watsonville Slough;

(H) Rio Del Mar Bikepath. The designated portion of the northerly side of Rio Del Mar Boulevard, from Clubhouse Drive to Beach Pines Drive;

(I) Summit Road Bikepath. The designated portion of the northerly side of Summit Road, from Loma Prieta Road to Del Monte Way. [Ord. 4323 § 1, 1994; Ord. 3180 § 1, 1981; Ord. 2246, 1976; prior code § 10.66.020].

9.16.040 Exemptions from SCCC 9.16.030.

The provisions of SCCC 9.16.030 shall not apply to:

- (A) Any employee of a public agency acting within the scope of their employment;
- (B) Any person crossing a limited-access thoroughfare which is adjacent to a public road from such road to an access drive or roadway, or from an access drive or roadway to such road; or
- (C) Any person using a limited-access thoroughfare which is not adjacent to a public road for access purposes with the permission, whether express or implied, of an adjoining property owner who has a legal right to use the thoroughfare. [Ord. 2246, 1976; prior code § 10.66.040].

SECTION III

Section 9.20.010 of the Santa Cruz County Code is hereby amended to read as follows:

9.20.010 One-way streets designated.

The following streets or portions thereof, as delineated below, are designated to be one-way in the direction indicated:

5th Avenue, northbound from Carmel Street to Eaton Street;

5th Avenue, southbound from Lake Avenue to East Cliff Drive;

Assembly Avenue, southbound from Alpine Street to East Cliff Drive;

Axford Road, westbound from approximately 425 feet of Lotman Drive westerly to end;

Bennett Road, westbound from Moosehead Drive to Venetian Road;

Davenport Landing Road, northbound from address number 330 Davenport Landing Road to Highway 1;

East Cliff Drive, eastbound from 32nd Avenue to 41st Avenue approximately 150 feet south of Opal Cliffs Drive;

Hainline Road, eastbound from Moosehead Drive to Venetian Road;

Lago Lane, southbound from Eaton Street to Lake Avenue;

Lake Avenue, southbound from Eaton Street to 5th Avenue;

Laurel Street, northbound from Harmon Street to Lomond Street;

Moosehead Drive, southbound from Spreckels Drive to the Esplanade;

Murray Avenue, westbound from Clubhouse Drive to Rio Del Mar Boulevard;

Pine Street, northbound from Lomond Street to Forest Street;

Soquel-Wharf Road, eastbound from Robertson Street to Porter Street;

Stephen Road,

(1) Eastbound, from Aptos Beach Drive to Venetian Road,

(2) Westbound, from Moosehead Drive to Aptos Beach Drive;

Venetian Road, eastbound from the Esplanade to Marina Avenue;

West Branciforte Drive, between its intersection with Highway 17 and Branciforte Drive, and further, that such road shall be one-way in the northerly direction;

West Walnut Street, westbound from Porter Street to Robertson Street;

Winfield Way, eastbound from Moosehead Drive to Aptos Beach Road. [Ord. 4726 § 1, 2003; Ord. 4552 § 1, 1999; Ord. 4446 § 1, 1997; Ord. 4394 § 1, 1995; Ord. 4363 § 1, 1995; Ord. 4320 § 1, 1994; Ord. 4299 § 1, 1994; Ord. 4287 §§ 1, 2, 1994; Ord. 3874 § 1, 1987; Ord. 3626 § 1, 1985; Ord. 2585, 1978; Ord. 2488, 1977; Ord. 1521, 1970; Ord. 1354, 1968; Ord. 1212, 1966; Ord. 1161, 1966; prior code § 10.55.010].

SECTION IV

The Table of Contents for Chapter 9.24 and Sections 9.24.020, 9.24.030, 9.24.060, 9.24.070, and 9.24.080 of the Santa Cruz County Code are hereby amended to read as follows:

Sections:

9.24.010 Definitions.

9.24.015 California Vehicle Code applicable.

9.24.020 Driving unlawful without license.

9.24.030 Speed limit on private roads.**9.24.040 Stopping at intersections.****9.24.050 Following too closely.****9.24.060 Reckless driving.****9.24.070 Parking and standing vehicles.****9.24.080 Private ownership and maintenance of roads designated under this chapter.****9.24.020 Driving unlawful without license.**

No person shall drive a motor vehicle upon a private road unless they hold a driver's license issued under the provisions of the California Vehicle Code, except such persons as are expressly exempted under the California Vehicle Code. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.070].

9.24.030 Speed limit on private roads.

A prima facie speed limit of 25 miles per hour applies to private roads. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.030].

9.24.060 Reckless driving.

No person shall drive any vehicle upon private roads in willful or wanton disregard for the safety of persons or property. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.050].

9.24.070 Parking and standing vehicles.

No person shall stop, park or leave standing any vehicle, whether attended or unattended, upon the main traveled portion of a private road, when it is practicable to stop, park or leave such vehicle off the main traveled portion. Whenever a vehicle is stopped on a private road, an unobstructed width adjacent to the standing vehicle shall be left for the free passage of other vehicles, and a clear view of the stopped vehicle shall be available from a distance of 200 feet in each direction along the roadway. This section shall not apply to the driver of any vehicle which is disabled. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.060].

9.24.080 Private ownership and maintenance of roads designated under this chapter.

The Director of the Department of Public Works may impose reasonable conditions on the use of private roads and may authorize the owners to erect traffic signs, signals, markings and devices which conform to the uniform standards and specifications adopted by the State Department of Transportation. The owners of any private road shall bear all reasonable costs associated with the signing, maintenance and operation of such road. [Ord. 3972 § 1, 1989].

SECTION V

Chapter 9.28 of the Santa Cruz County Code (including the Table of Contents) is hereby amended to read as follows:

Sections:

9.28.010 Temporary stop sign locations.

9.28.020 Stop intersections designated.

9.28.030 Multi-way stop intersections designated.

9.28.010 Temporary stop sign locations.

All vehicles shall stop at temporary stop sign locations established by the Director of the Department of Public Works as a result of damaged roads and/or construction/maintenance projects. [Ord. 4436 § 1, 1996].

9.28.020 Stop intersections designated.

The following intersections are designated as stop intersections; stop signs shall be erected on the streets at the locations designated below, and all vehicles shall stop before entering such intersections from the streets indicated as follows:

On 5th Avenue, at:

- (1) Dolores Street, south side,
- (2) Eaton Street;

On 6th Avenue, at:

- (1) Dolores Street,
- (2) Eaton Street;

On 8th Avenue, at Eaton Street;

On 15th Avenue, at Webster Street;

On 17th Avenue, at Commercial Way;

On 24th Avenue, at Felt Street;

On 32nd Avenue, at:

- (1) Hawes Drive,
- (2) Roland Drive;

On 34th Avenue, at:

- (1) Floral Drive (both sides),
- (2) Hawes Drive (both sides),
- (3) Roland Drive;

On 35th Avenue, at:

- (1) Hawes Drive,
- (2) Roland Drive;

On 37th Avenue, at Floral Drive (both sides);

On Ada Street, at:

- (1) Plateau Drive,
- (2) Valley Drive;

On Adelaida Court, at Jose Avenue;

On Adriene Way, at:

- (1) Bain Avenue,
- (2) Court Drive;

On Agate Drive, at Lapis Drive;

On Aldo Court, at Hilltop Road;

On Aldridge Lane, at Corralitos Road;

On Alice Street, at:

(1) Corcoran Avenue,

(2) 17th Avenue;

On Alpine Street, at 6th Avenue;

On Allston Way, at Clifford Drive;

On Alta Drive, at:

(1) La Selva Drive,

(2) Mar Monte Avenue;

On Alta Loma Lane, at Eaton Street;

On Altenitas Road, at La Cuesta Drive;

On Altivo Avenue, at Mar Monte Avenue;

On Antonelli Court, at Willa Way;

On Aptos Beach Drive, at Treasure Island Avenue;

On Anderson Drive, at College Road (both sides);

On Appleton Drive, at Martin Drive;

On Aptos School Road, at Valencia Road;

On Aptos Street, at:

(1) Bernal Street (east side),

(2) Trout Gulch Road;

On Arthur Avenue, at Palmer Avenue;

On Ashley Street, at Felton Empire Road;

On Austrian Way, at:

(1) Jennifer Drive,

(2) Vienna Drive;

On Avila Avenue, at:

(1) El Dorado Avenue,

(2) Harper Street;

On Bain Avenue, at Nova Drive;

On Baltusrol Drive at Saint Andrews Drive;

On Baltusrol Way, at Baltusrol Drive;

On Barbara Way, at Calabasas Road;

On Baseline Drive, at Willowbrook Lane;

On Beachgate Way, at West Seacliff Drive (both sides);

On Beach Drive, at the Esplanade;

On Beach Pines Drive, at Sandalwood Drive;

On Bear Valley Road, at Valencia Road;

On Belle Monte Avenue, at Palmer Avenue;

On Ben Lomond Toll Road, at Hillside Avenue;

On Benson Avenue, at Thurber Lane;

On Blackstone Terrace, at West Park Avenue;

On Blake Avenue, at Hames Road;

On Blair Street, at Cooper Street;

On Blossom Drive, at College Road;

On Bloom Grade, at Hilton Drive;

On Blue Ridge Drive, at Kings Creek Road;

On Bonnie Street, at:

- (1) 6th Avenue,
- (2) 7th Avenue,
- (3) 8th Avenue,
- (4) 9th Avenue;

On Bonny Doon Road, at Pine Flat Road;

On Bostwick Lane, at 7th Avenue;

On Bowen Avenue, at Wallace Avenue;

On Bowker Road, at Buena Vista Drive;

On Bowsprit Drive, at Dolphin Drive;

On Bradford Road, at Calabasas Road;

On Breve Avenue, at Playa Boulevard;

On Briarwood Drive, at:

- (1) Bradford Drive,
- (2) Lynwood Place (both sides),
- (3) Via Nicola (both sides);

On Bridge Street, at Main Street;

On Brodin Lane, at Blake Avenue;

On Brommer Way, at Brommer Street;

On Brook Knoll Drive, at Sims Road;

On Brookside Avenue, at Love Creek Road;

On Brookside Way, at Lakeview Drive;

On Brookwood Drive, at Paul Sweet Road;

On Buck Court, at Main Street;

On Bulb Avenue, at Brommer Street;

On Burr Court, at Rodriguez Street;

On Byer Court, at Byer Road;

On Byer Road, at Maciel Avenue;

On Calabasas Road, at:

(1) Buena Vista Drive,

(2) White Road;

On Caldwell Drive, at:

(1) Rodeo Gulch Road,

(2) Research Park Drive;

On Calla Drive, at:

(1) Anchorage Avenue (both sides),

(2) Palisades Avenue,

(3) 30th Avenue,

(4) 32nd Avenue;

On Calle del Rio, at Amador;

On Calypso Drive, at Dolphin Drive;

On Cambridge Drive, at:

(1) Crestwood Drive,

(2) Kingston Drive;

On Campo Way, at Sevilla Drive;

On Capelli Drive, at Hacienda Way;

On Carey Avenue, at:

- (1) Davis Avenue,
- (2) Roache Road;

On Carlton Road, at Thompson Road (both sides);

On Carmel Street, at:

- (1) Alta Loma Lane,
- (2) 5th Avenue,
- (3) 6th Avenue,
- (4) 7th Avenue,
- (5) 8th Avenue,
- (6) 9th Avenue;

On Carrol Avenue, at Lompico Road;

On Caseta Way, at Lockewood Lane;

On Cathedral Drive, at Trout Gulch Road;

On Cedar Street, at Mar Vista Drive;

On Celia Drive, at Onyx Drive;

On Center Street, at East Walnut Avenue;

On Central Avenue, at:

- (1) Love Creek Road,
- (2) Main Street;

On Chanticleer Avenue, at Soquel Avenue;

On Chanticleer Lane, at Chanticleer Avenue;

On Cheryl Way, at Vienna Drive;

On Chris Court, at Cornwell Road;

On Childers Lane, at 30th Avenue;

On Church Street, at Marine View Avenue (both connections);

On Cindy Lane, at Hilltop Road;

On Cliff Drive, at Bayview Drive;

On Clipper Cove, at Brommer Street;

On Coast Road, at:

(1) Davenport Avenue,

(2) Fair Avenue;

On Coates Drive, at:

(1) Hillcrest Drive,

(2) Seacliff Drive;

On College Road, at Lakeview Road;

On Conference Drive, at Kaiser Quarry Entrance Road (southbound);

On Cooper Street, at Felton Empire Road;

On Corcoran Avenue, southbound at Alice Street;

On Corinne Avenue, at:

(1) Kenny Avenue,

(2) Winkle Avenue;

On Cortez Drive, at:

- (1) Valera Drive,
- (2) Vista Drive;

On Cottage Drive, at College Road;

On Cox Road, at:

- (1) Day Valley Road,
- (2) Valencia Road;

On Crescent Drive, at:

- (1) Arthur Road,
- (2) Clifford Avenue (both sides);

On Crestwood Drive, at Lakewood Road;

On Cross Way, at Seacliff Drive;

On Crown Drive, at Harvard Drive;

On Crows Nest Drive, at East Hilton Drive;

On Crystal Lane, at 7th Avenue;

On Darlene Drive, at Brommer Street;

On Daubenbiss Avenue, at West Walnut Avenue;

On Davenport Avenue, at Marine View Avenue;

On Davidson Way, at Hazel Avenue;

On Day Valley Road, at Valencia Road;

On De Anza Court, at Valera Drive;

On Deerfield Road, at Sunset Drive;

On Dick Phelps Road, at Meidl Avenue;

On Dolores Street, at:

(1) Alta Loma Lane,

(2) 7th Avenue,

(3) 8th Avenue,

(4) 9th Avenue;

On Doris Avenue, at Los Altos Drive;

On Double Bogey Drive, at Hilton Drive;

On Dougmar Drive, at El Dorado Avenue;

On Driftwood Court, at Dolphin Drive;

On Dustin Way, at Rodriguez Street;

On East Bel Mar Drive, at Mar Monte Avenue;

On East Street, at Santa Cruz Avenue;

On Eaton Drive, at San Lorenzo Avenue;

On Eddy Lane, at 7th Avenue;

On El Camino Del Mar, at Seacliff Drive;

On El Dorado Avenue, at Brommer Street (both sides);

On Elena Drive, at Canepa Drive;

On El Rancho Drive, at La Madrona Drive;

On El Sereno Drive, at La Cuesta Drive;

On Elva Drive, at Martin Drive;

On Encino Drive, at Halterman Avenue;

On Estates Drive, at Borregas Drive (north end);

On Evergreen Lane, at:

- (1) Deerfield Road, northbound,
- (2) Sunset Drive;

On Ewell Avenue, at Dorsey Avenue;

On Fair Avenue, at Coast Road;

On Fairmont Drive, at Irwin Way;

On Farallon Court, at Dolphin Drive (both sides);

On Farmer Street, at:

- (1) Ashley Street,
- (2) Cooper Street;

On Fiesta Way, at Buena Vista Drive;

On First Street, at West Park Avenue;

On Flat Street, at Boulder Street;

On Fletcher Court, at Trembley Lane;

On Floral Drive, at:

- (1) 35th Avenue,
- (2) 36th Avenue;

On Forest Street, at Pine Street;

On Gaffey Road, at Mt. Madonna Road;

On Garden Street, at:

- (1) 38th Avenue,

(2) Thompson Avenue;

On Gary Drive, at Capitola Avenue;

On Geoffroy Drive, at 16th Avenue (both approaches);

On Germaine Avenue, at Cabrillo Avenue;

On Gertrude Avenue, at Mar Vista Avenue;

On Gladys Avenue, at Nova Drive;

On Glen Arbor Road, east and west end of northerly turning lanes at Quail Hollow Road;

On Glen Haven Road, at north side of Cherryvale Avenue;

On Golf Drive, at Fairway Drive;

On Green Valley Road, at Hazel Dell Road;

On Green Valley Road (Scotts Valley), at Lockhart Gulch Road;

On Gushee Street, at:

(1) Bennett Street,

(2) Laurel Drive,

(3) Plateau Drive;

On Gyer Road, at Lockhart Gulch Road;

On Hacienda Way, at El Solvo Drive both directions;

On Hallie Lane, at Eaton Street;

On Halterman Avenue, at:

(1) Byer Drive,

(2) Mattison Lane;

On Halton Lane, at White Road;

On Hare Way, at:

- (1) Double Bogey Drive,
- (2) Lake Drive;

On Harkins Slough Road, at Buena Vista Drive;

On Harkleroad Avenue, at Rodriguez Street;

On Harper Street, at 17th Avenue;

On Harriet Avenue, at Mar Vista Drive;

On Hart Lane, at Rancho Rio Avenue;

On Hathaway Drive, at Jolon Drive;

On Hawes Drive, at:

- (1) 30th Avenue,
- (2) 36th Avenue;

On Hazzard Street, at Fairway Drive;

On Helen Avenue, at Thurber Lane;

On Hidden Glen Drive, at:

- (1) Lockewood Lane,
- (2) Spreading Oaks Drive (southeast end);

On Hidden Valley Drive, at Quail Hollow Road;

On High Street, at Clear Creek Road;

On Hihn Street, at Gushee Street;

On Hillcrest Drive, at:

- (1) Mar Vista Drive,

(2) State Park Drive;

On Hillcrest Drive (Felton), at Redwood Drive;

On Hilltop Lane, at Hilltop Road;

On Hilton Drive, at Double Bogey Drive;

On Howe Street, at Dover Drive;

On Humes Avenue, at:

(1) Lock Drive,

(2) Los Altos Drive;

On Huntington Drive, at Valencia Road;

On Hutchinson Road, at Riva Ridge Road;

On Ice Cream Grade, at Pine Flat Road;

On Ivy Lane, at Chanticleer Avenue;

On Irwin Way, at Fairview Avenue (northbound);

On Jackson Way, at:

(1) Prospect Drive,

(2) San Lorenzo Avenue;

On Jarvis Road, at Vine Hill Road;

On Jehl Avenue, at Sidney Avenue;

On Jennifer Drive, at:

(1) Danube Drive,

(2) Vienna Drive (both sides);

On Jolon Drive, at Mesa Verde Drive;

On Jose Avenue, at Rodriguez Street;

On Junction Avenue, at Lomond Street;

On Kelp Lane, at:

(1) El Camino Del Mar,

(2) Seacliff Drive;

On Kenny Avenue, at:

(1) Thurber Lane,

(2) Winkle Avenue;

On Kenyon Avenue, at Clifford Avenue;

On Kessler Drive, at Marion Avenue;

On Kings Creek Road, at Pool Drive (northbound);

On Kingston Drive, at Lakeview Drive;

On Kinsley Street, at 17th Avenue;

On Kirby Street, at Gushee Street;

On Koopmans Avenue, at:

(1) Rodriguez Street,

(2) Webster Street (both sides);

On Lagunitas Court, at Dolphin Drive;

On Lagunita Drive, at Glen Haven Road;

On La Honda Court, at La Honda Drive;

On Lake Boulevard at:

(1) Lompico Road,

(2) Carrol Avenue (northbound);

On Lake Court, at Venetian Road;

On Laken Drive, at Holohan Road;

On Landis Avenue, at Carey Avenue;

On Lapis Drive, at Paulsen Road;

On La Selva Drive, at Mar Monte Avenue;

On Laurel Avenue, at:

(1) Bain Avenue (on both sides),

(2) Gladys Avenue;

On Laverne Avenue, at Mar Vista Avenue;

On Lee Road, at Harkins Slough Road;

On Lillian Way, at Sequoia Drive;

On Lisa Lane, at Brommer Street;

On Live Oak Avenue, at:

(1) Brommer Street (Live Oak),

(2) Brookside Avenue (Ben Lomond);

On Lode Street, at 26th Avenue;

On Loma Prieta Drive, at Vista Del Mar Drive;

On Lomond Street, at Forest Street;

On Lone Pine Avenue, at Buena Vista Drive;

On Loyola Drive, at:

(1) Doris Avenue,

(2) Los Altos Drive;

On Lucerne Avenue, at Manfre Road;

On Lynwood Place at Calabasas Road;

On Maciel Avenue, at Mattison Lane;

On Madeline Drive, at Mar Vista Drive;

On Manfre Road, at:

(1) Buena Vista Drive,

(2) Larkin Valley Road;

On Manresa Court, at Dolphin Drive;

On Manresa Drive, at Dolphin Drive;

On Mansfield Street, at 17th Avenue;

On Maple Street, at Oakdale Drive;

On Margaret Avenue, at McGregor Drive;

On Mar Monte Avenue, at Larkin Valley Road;

On Mar Sereno Drive, at Haas Drive;

On Mariana Court, at Jose Avenue;

On Marine View Avenue, at Coast Road;

On Mark Avenue, at:

(1) Arroyo Drive,

(2) Hathaway Avenue (both sides),

(3) Mesa Verde Drive;

On Martin Road, at:

(1) Ice Cream Grade,

(2) Pine Flat Road;

On Marilyn Street, at Arthur Road;

On Mattison Lane, at Chanticleer Avenue;

On McDonald Road, at Day Valley Road;

On McEnery Road, at West Zayante Road;

On McGregor Drive, at Searidge Road;

On Meadow Road, at Day Valley Road;

On Meidle Avenue, at:

(1) Behler Avenue,

(2) Minto Road;

On Memorial Avenue, at Buena Vista Drive;

On Memory Lane, at China Grade;

On Meredith Way, at:

(1) Lakeview Drive,

(2) Parker Drive;

On Merk Road, at Corralitos Road;

On Merlin Way, at Cornwell Road;

On Merrill Street, at 14th Avenue;

On Mesa Drive, at Vienna Drive;

On Middlefield Drive, at:

(1) Mar Vista Drive,

(2) Oakdale Drive (both sides);

On Mill Road, at Glen Canyon Road;

On Miraflores Road, at La Cuesta Drive;

On Mission Drive, at Commercial Way;

On Montclair Drive, at Treetop Drive;

On Monterey Drive, at:

(1) Alta Drive (both sides),

(2) Bonita Drive;

On Monument Avenue, at Buena Vista Drive;

On Moon Valley Ranch Road, at Larkin Valley Road;

On Mt. Bache Road, at Highland Way;

On Mt. Madonna Road, at Hazel Dell Road;

On Muriel Drive, at Chanticleer Avenue;

On Nancy Court, at Briarwood Drive;

On Nelson Road, at Lockhart Gulch Road;

On Nicker Court, at Cornwell Road;

On Niguel, at:

(1) Calle del Rio,

(2) Osa Mesa;

On North Drive, at:

(1) Bowker Road,

(2) Buena Vista Drive;

On North Pointe Court, at Corte Cabrillo;

On North Rodeo Gulch Road, at Mountain View Road;

On Oakdale Drive, at:

(1) Cedar Street,

(2) Poplar Street,

(3) Seacliff Drive;

On Oak Knoll Drive, at Treetop Drive;

On Oak Street, at Lomond Street (both sides);

On Ocean Street, at Marine View Avenue;

On Odyssey Court, at Brommer Street;

On Old County Road, at Hillside Drive;

On Old Dominion Court, at State Park Drive;

On O'Neill Court, at O'Neill Lane;

On Onyx Drive, at Lapis Drive;

On Orchard Drive, at Sims Road;

On Pajaro Lane, at Airport Boulevard;

On Palmer Avenue, at Arthur Avenue;

On Papermill Road, at O'Neill Lane (northbound);

On Paradiso Court, at Hilltop Road;

On Park Drive, at:

(1) Hillcrest Drive,

(2) Seacliff Drive;

On Park Street, at West Park Avenue;

On Parker Drive, at College Road;

On Parkwood Drive, at:

(1) College Road,

(2) Lakeview Road;

On Patterson Lane, at Mission Drive;

On Paul Minnie Avenue, at Soquel Avenue;

On Pebble Beach Drive, at Pinehurst Drive (two locations);

On Penasquitas Drive, at Dolphin Drive;

On Pesce Way, at Harper Street;

On Pestana Avenue, at Germaine Avenue;

On Pine Avenue, at Conference Drive;

On Pine Forest Drive, at Meadow Road;

On Pine Street (Boulder Creek) at:

(1) Forest Street (southbound),

(2) Lomond Street;

On Pine Street (Seacliff Area), at Mar Vista Drive;

On Pinehurst Drive, at Dolphin Drive;

On Placer Street, at 26th Avenue;

On Plateau Drive, at:

(1) Laurel Drive,

(2) Valley Drive;

On Pleasure Point Drive, at Rockview Drive;

On Plum Hill Drive, at Parker Drive;

On Ponderosa Avenue, at:

(1) Jolon Drive,

(2) Mark Avenue, both directions;

On Pool Drive, at Kings Creek Road;

On Poplar Street, at Cedar Street;

On Poppy Lane, at Heather Terrace;

On Prescott Road, at Glen Haven Road;

On Prospect Avenue, at 12th Avenue;

On Quail Run Road, at Trout Gulch Road;

On Quinta, at Amador (both sides);

On Railroad Avenue, at:

(1) Lomond Street,

(2) Middleton Avenue;

On Ramport Road, at Buena Vista Drive;

On Ranchero Drive, at Valera Drive;

On Rancho Rio Avenue, at Newell Creek Road;

On Rancho Road, at Buena Vista Drive;

On Redwood Drive, at Glen Canyon Road;

On Redwood Lodge Road, at Laurel Road;

On Redwood Road, at Brown Valley Road;

On Renwick Way, at 30th Avenue;

On Research Park Drive, at Rodeo Gulch Road;

On Ridge Road, at West Park Drive;

On Ridge Way, at Larkin Valley Road;

On Risso Court, at Alice Street;

On Riva Ridge Road, at:

(1) Hutchinson Road,

(2) Mt. Charlie Road;

On Roaring Camp Road, at Conference Drive;

On Roberta Drive, at:

(1) Arroyo Drive,

(2) Mark Avenue;

On (South) Rodeo Gulch Road, at:

(1) Gross Road,

(2) Soquel Avenue;

On Rodeo Gulch Road, at Mountain View Road;

On Rodriguez Street, at Capitola Road Extension;

On Roland Drive, at 30th Avenue;

On Rountree Lane, at Harkins Slough Road;

On Royal Oak Court, at Hidden Glen Drive;

On Russell Avenue, at:

(1) Gushee Street,

(2) Valley Drive;

On Saint Andrews Drive, at Saint Andrews Drive;

On Samuel Place, at 30th Avenue;

On San Benito Avenue, at Seacliff Drive (at both ends);

On Sandalwood Drive, at:

(1) Beach Pines Drive,

(2) Meadowlark Lane;

On Sand Dollar Drive, at Shoreline;

On Santa Clara Avenue, at:

(1) El Camino Del Mar (on both sides),

(2) Seacliff Drive;

On Santa Clara Street, at Arthur Road;

On Santa Cruz Avenue, at:

(1) Broadway (on both sides),

(2) El Camino Del Mar (on both sides),

(3) Seacliff Drive,

(4) State Park Drive;

On Santa Marguerita Drive, at Alta Drive;

On San Vincenti Avenue, at Coast Road;

On School Way, at Wheelock Road;

On Schulties Road, at Old Santa Cruz Highway;

On Scriver Street, at Palisades Avenue;

On Searidge Court, at Searidge Road;

On Searidge Road, at:

- (1) Mar Vista Drive,
- (2) State Park Drive;

On Sea Terrace Way, at Seaciff Drive (south end);

On Sequoia Drive, at:

- (1) Thurber Lane,
- (2) Winkle Avenue;

On Serrell Avenue, at:

- (1) Cabrillo Avenue,
- (2) Pestana Avenue (both sides);

On Sevilla Drive, at Main Street;

On Sierra Vista Drive, at Siesta Drive;

On Siesta Drive, at:

- (1) Sierra Vista Drive (both directions),
- (2) Valencia Road;

On Silvana Lane, at:

- (1) Chanticleer Avenue,
- (2) 17th Avenue;

On Skyland Road, at Highland Way;

On Skyview Terrace, at Evergreen Lane;

On Smith Grade, at Bonny Doon Road;

On Sombra, at Amador;

On Soquel Avenue, at Gross Road;

On South Drive, at:

(1) Bowker Road,

(2) Buena Vista Drive;

On Spreading Oaks Drive, at Hidden Glen Drive;

On Stanley Avenue, at Howe Street;

On Stephen Road, at Moosehead Drive;

On Sunnyside Avenue, at Love Creek Road;

On Sunset Drive, at Del Monte Way;

On Tamalpais Court, at Dolphin Drive;

On Tanbark Court, at Rodriguez Street;

On Tanner Court, at Seventh Avenue;

On Thayer Road, at Bonny Doon Road;

On Thomas Drive, at:

(1) Chanticleer Avenue,

(2) Reinelt Avenue;

On Thompson Avenue, at Brommer Street;

On Trabing Road, at Buena Vista Drive (both sides);

On Treetop Drive, westbound at Oak Knoll Drive;

On Tremont Drive, at 17th Avenue;

On Trinity Avenue, at:

(1) Jolon Drive,

(2) Mark Avenue;

On Trout Gulch Road, at Valencia Road;

On Tulip Lane, at:

(1) Heather Terrace,

(2) Poppy Lane;

On Twin Hills Drive, at:

(1) Lillian Way,

(2) Thurber Lane;

On Valdez Avenue, at Buena Vista Drive;

On Valencia Avenue, at:

(1) East Street,

(2) El Camino Del Mar (on both sides),

(3) Seacliff Drive;

On Valencia School Road, at:

(1) Trout Gulch Road,

(2) Valencia Road;

On Valencia Street, at Trout Gulch Road;

On Valera Drive, at Hilltop Drive;

On Valley Drive, at:

(1) Laurel Drive,

(2) Redwood Drive;

On Varni Road, at Corralitos Road;

On Venice Drive, at Chanticleer Drive;

On Via Latana, at Dolphin Drive;

On Via Medici, at Calypso Drive;

On Via Nicola, at Calabastas Road;

On Via Novella, at Dolphin Drive;

On Via Palo Alto, at Clubhouse Drive;

On Via Trinita, at Dolphin Drive;

On Via Tomasol, at Clubhouse Drive;

On Vienna Drive, at:

- (1) Mesa Drive,
- (2) Wilshire Drive;

On View Court, at Huntington Drive;

On Vista Drive, at:

- (1) Estrella Avenue (both sides),
- (2) Hilltop Avenue;

On Vista Del Mar Drive, at:

- (1) Alta Drive,
- (2) Cuesta Drive (both sides);

On Wallace Avenue, at Huntington Drive;

On (West) Walnut Street, at:

- (1) Daubenbiss Avenue,

(2) Robertson Street;

On Warren Avenue, at 26th Avenue;

On Waugh Avenue, at Thurber Lane;

On West Bel Mar, at Mar Monte Avenue;

On West Drive, at Lompico Road;

On West Vine Hill Road, at Vine Hill Road;

On White Road, at Larkin Valley Road;

On Wilder Drive, at Capitola Avenue;

On Willa Way, at Byer Road (both sides);

On Willowbrook Lane, at Cabrillo College Drive;

On Wilshire Drive, at Danube Drive;

On Woolpert Way, at Halterman Avenue;

On Xanthos Drive, at Larkin Valley Road;

On Yucca Drive, at 36th Avenue;

On (East) Zayante Road, at north side of Lompico Road;

On (West) Zayante Road, at Quail Hollow Road. [Ord. 5268 § 1, 2018; Ord. 5060 § 1, 2009; Ord. 5033 §§ 1, 2, 2009; Ord. 4919 § 1, 2008; Ord. 4851 § 1, 2007; Ord. 4847 § 1, 2006; Ord. 4840 § 1, 2006; Ord. 4812 § 1, 2006; Ord. 4807 §§ 1, 2, 2005; Ord. 4763 § 1, 2004; Ord. 4759 § 2, 2004; Ord. 4725 §§ 1, 2, 2003; Ord. 4722 § 1, 2003; Ord. 4706 § 2, 2003; Ord. 4690 § 2, 2002; Ord. 4689 §§ 1—3, 2002; Ord. 4686 §§ 1—4, 2002; Ord. 4677 §§ 1, 2, 2002; Ord. 4658 § 1, 2002; Ord. 4653 §§ 1—3, 2002; Ord. 4643 § 1, 2001; Ord. 4620 §§ 1—4, 2001; Ord. 4618 § 1, 2001; Ord. 4591 § 1, 2000; Ord. 4585 §§ 1, 2, 3, 2000; Ord. 4584 § 1, 2000; Ord. 4579 §§ 1, 2, 2000; Ord. 4552 § 2, 1999; Ord. 4543 §§ 1—4, 1999; Ord. 4542 §§ 1, 2, 1999; Ord. 4536 § 1, 1999; Ord. 4520 § 1, 1998; Ord. 4482 § 1, 1997; Ord. 4480 § 3, 1997; Ord. 4479 §§ 1, 4, 5, 1997; Ord. 4443 §§ 2, 3, 1996; Ord. 4436 § 1, 1996].

9.28.030 Multi-way stop intersections.

The following intersections are designated as multi-way stop intersections, and all vehicles shall stop at entrances to these intersections:

7th Avenue and:

- (1) Brommer Street,
- (2) Rodriguez Street;

17th Avenue and Merrill Street;

17th Avenue and Rodriguez Street;

26th Avenue and Fresno Street/24th Avenue;

30th Avenue and Scriver Street;

36th Avenue and Floral Drive;

38th Avenue and Floral Drive;

Amesti Road and Pioneer Road/Varni Road;

Arroyo Drive and Mark Avenue;

Brommer Street and:

- (1) Chanticleer Avenue,
- (2) 30th Avenue;

Buena Vista Drive and Larkin Valley Road;

Cabrillo Avenue and Winkle Avenue;

Calabasas Road and Bowker Road;

Casserly Road and:

- (1) Hughes Road,

(2) Whiting Road;

Cathedral Drive and Vista Mar Court/Burns Avenue;

Center Avenue and Santa Clara Avenue (three-way);

Chanticleer Avenue and:

(1) Chanticleer Lane (three-way),

(2) Harper Street,

(3) Kinsley Street,

(4) Rodriguez Street (three-way);

Cliff Drive and Martin Drive/Sea View Drive;

Clubhouse Drive and:

(1) Alta Drive (three-way),

(2) Rio Del Mar Boulevard/Bonita Drive,

(3) Pinehurst Drive (three-way),

(4) St. Andrews Drive (three-way),

(5) Sumner Avenue (four-way);

College Road and Cutter Drive (three-way);

Commercial Way and Commercial Crossing (three-way);

Corralitos Road/Eureka Canyon Road and Browns Valley Road/Hames Road;

East Cliff Drive and:

(1) 18th Avenue,

(2) 5th Avenue,

(3) 7th Avenue,

(4) 32nd Avenue/Pleasure Point Drive,

(5) 26th Avenue;

East Zayante Road and Valley View Avenue;

El Dorado Avenue and Harper Street/Harper Court;

El Rancho Drive and Carbonera Drive;

Felt Street and:

(1) Corcoran Avenue,

(2) Paget Avenue;

41st Avenue and:

(1) Opal Cliffs Drive (three-way),

(2) Portola Drive;

Freedom Boulevard and Highway 1 southbound ramps;

Freedom Boulevard and Corralitos Road;

Glen Arbor Road and Hihn Road (three-way);

Gross Road and Soquel Avenue/40th Avenue;

Gross Road and (South) Rodeo Gulch Road (three-way);

Harkins Slough Road at Pajaro Valley High School entrance;

Hathaway Avenue and Mark Avenue;

Highland Way and:

(1) Mt. Bache Road,

(2) Spanish Ranch Road;

Hilltop Road and Cornwell Road/Valera Drive;

Jolon Drive and Hathaway Avenue;

Jose Avenue and Webster Street (three-way);

La Madrona Drive and Sims Road;

Lomond Street and Laurel Street;

Main Street (Soquel) and East Walnut Street (three-way);

Main Street (Ben Lomond) and:

(1) Mill Street (three-way),

(2) Sunnyside Avenue (three-way);

Mar Monte Avenue and La Selva Drive/Robak Drive;

Mattison Lane and Greystone Court (three-way);

McGregor Drive and Mar Vista Drive;

Mesa Verde Drive at Mark Avenue (three-way);

North Plymouth Street and entrance drive to Emeline Street Complex;

Opal Cliffs Drive and Court Drive (three-way);

Pinehurst Drive and:

(1) Greenbriar Drive (three-way),

(2) Pinehurst Way (three-way);

Playa Boulevard and Estrella Avenue;

Portola Drive and:

(1) 38th Avenue,

(2) 30th Avenue (westerly intersection, three-way);

Quail Hollow Road and:

- (1) Larita Drive,
- (2) Marion Avenue (three-way);

Rio Del Mar Boulevard and:

- (1) Palmer Avenue and Spanish Bay Drive,
- (2) Sumner Avenue (three-way);

San Andreas Road and:

- (1) Mar Monte Avenue/Playa Boulevard,
- (2) Seascap Boulevard (three-way);

Seacliff Drive and Sea Terrace Way (three-way);

Seascap Boulevard and:

- (1) Dolphin Drive,
- (2) Sumner Avenue;

Siesta Drive and Sierra Vista Drive;

Soquel Drive and:

- (1) Dover Drive (three-way),
- (2) Robertson Street (three-way),
- (3) Trout Gulch Road (three-way),
- (4) Winkle Avenue (three-way);

Spreckels Drive and:

- (1) Seacliff Drive (three-way),
- (2) Treasure Island Avenue;

State Park Drive and:

- (1) Center Avenue/Seacliff Drive;

Sumner Avenue and:

- (1) Dolphin Drive (three-way),
- (2) Los Altos Drive (three-way);

Thurber Lane and Winkle Avenue;

Via Medici and Calypso Drive;

Winkle Avenue and Howe Street. [Ord. 5268 § 2, 2018; Ord. 5132 § 1, 2012; Ord. 5068 § 1, 2010; Ord. 5060 § 2, 2009; Ord. 4831 § 1, 2006; Ord. 4807 § 3, 2005; Ord. 4792 § 1, 2005; Ord. 4763 § 2, 2004; Ord. 4759 § 1, 2004; Ord. 4720 § 1, 2003; Ord. 4706 § 1, 2003; Ord. 4690 § 1, 2002; Ord. 4689 § 4, 2002; Ord. 4688 § 1, 2002; Ord. 4603 § 1, 2000; Ord. 4602 §§ 1—4, 2000; Ord. 4568 § 1, 1999; Ord. 4542 § 3, 1999; Ord. 4536 § 2, 1999; Ord. 4532 §§ 1, 2, 1999; Ord. 4520 §§ 2, 3, 1998; Ord. 4480 §§ 1, 2, 1997; Ord. 4479 §§ 2, 3, 1997; Ord. 4454 §§ 1, 2, 1997; Ord. 4445 § 1, 1996; Ord. 4443 § 4, 1996; Ord. 4436 § 1, 1996].

SECTION VI

Section 9.32.010 of the Santa Cruz County Code is hereby amended to read as follows:

9.32.010 Intersections designated.

The following intersections are designated yield right-of-way intersections. Yield signs shall be posted on the approaches on either side of the roads listed in this section at the indicated intersecting roads, and traffic on said approaches shall yield the right-of-way:

On Buena Vista Drive, at Freedom Boulevard;

On Casserly Road, at State Route 152;

On College Road, at Lakeview Drive;

On Commercial Way, at Soquel Drive;

On East Cliff Drive, at:

- (1) East Cliff Drive,

(2) 7th Avenue;

On Glen Canyon Road, at Branciforte Drive;

On Graham Hill Road, at Mount Hermon Road;

On Ledyard Way, at Mesa Drive;

On Los Altos Drive, at Gay Road;

On Mar Monte Avenue, at Larkin Valley Road;

On Mount Hermon Road, at:

(1) Graham Hill Road,

(2) Lockhart Gulch;

On Poplar Street, at Maple Street;

On Portola Drive, at:

(1) 41st Avenue,

(2) 17th Avenue;

On Quail Hollow Road, at Glen Arbor Road;

On Redwood Drive, at San Lorenzo Avenue;

On Rio del Mar Boulevard, at Rio del Mar Boulevard;

On San Andreas Road, at Seascape Boulevard;

On Seascape Boulevard, at San Andreas Road;

On Soquel Avenue, at Soquel Drive;

On Soquel Drive, at:

(1) Park Avenue,

(2) Porter Street,

- (3) State Park Drive;

On State Park Drive, at Soquel Drive. [Ord. 4520 § 7, 1998; Ord. 4436 § 1, 1996].

SECTION VII

Sections 9.36.010, 9.36.020, 9.36.040, 9.36.065, 9.36.070, 9.36.080, 9.36.085, and 9.36.090 of the Santa Cruz County Code are hereby amended to read as follows:

9.36.010 Markings and signs indicating restricted parking.

When authorized curb markings and/or signs, as indicated herein, have been determined by the Director of the Department of Public Works to be necessary and are in place, no operator of any motor vehicle shall stop, stand or park such vehicle in violation of the following restrictions:

- (A) Red curb markings indicate no stopping, standing or parking, except that a bus may stop in a red zone marked or sign-posted as a bus loading zone. This restriction shall be effective at all times unless signs indicating specific time periods are also posted in conjunction therewith.
- (B) Green curb markings indicate a maximum time limit for parking of 20 minutes' duration, unless signs indicating a different time limit are also posted in conjunction therewith.
- (C) Yellow curb markings indicate a commercial loading zone for the sole purpose of loading or unloading passengers or freight for a maximum time of 30 minutes, unless signs indicating a different time limit are also posted in conjunction therewith.
- (D) White curb markings indicate a passenger loading zone for the sole purpose of loading or unloading passengers for only the time necessary for completion of same in an expeditious manner, not to exceed five minutes, or for the purpose of depositing mail in an adjacent United States mailbox.
- (E) Blue curb markings indicate parking limited exclusively for the use of physically handicapped persons whose vehicles display either of the distinguishing license plates or placards issued to disabled persons pursuant to Section 22511.5 of the California Vehicle Code, or to disabled veterans, as specified in Section 9105 of the California Vehicle Code.
- (F) Signs indicate by legend the specific restriction that applies. Signs shall be in conformance with the uniform standards and specifications promulgated by the State.

(G) Shoulder Striping. No person shall stop, park or leave standing any vehicle, whether attended or unattended, in an area upon or between a painted white shoulder strip and the center of a paved roadway. [Ord. 2265, 1976; Ord. 2182, 1975; Ord. 1853, 1973; Ord. 1355, 1968; prior code § 10.60.010].

9.36.020 No-parking zones designated.

No person shall stop, park or leave standing any motor vehicle, whether attended or unattended, except when necessary to avoid conflict with other traffic or in cases of emergency, or in compliance with the directions of a peace officer or traffic-control device, in any of the following designated areas:

- (1) Arbolado Drive, on both sides of the street from Breve Avenue to Estrella Avenue, a distance of 0.09 mile;
- (2) Aptos School Road, on the north side from Valencia Road to the end of Aptos School Road;
- (3) Beach Drive, at the following locations:
 - (a) On the north side, from a point 70 feet northwesterly from the end of the County road,
 - (b) On the north side, from the Esplanade 280 feet southeasterly,
 - (c) On the south side, from a point 1,000 feet southeasterly of the Esplanade,
 - (d) On the south side, 240 feet southeasterly from the Esplanade;
- (4) Beach Road, at its southerly end within the cul-de-sac and Fire Access Road;
- (5) Bennett Road, from Moosehead Drive to Venetian Road;
- (6) Bonny Doon Road, from Highway 1 to a point 500 feet northerly thereof;
- (7) Breve Avenue, on both sides of the street, from Playa Boulevard to Arbolado Drive, a distance of 0.06 mile;
- (8) Calabasas Road, for a distance of 30 feet on either side of the school crosswalk on the north side of Calabasas Road in front of the Calabasas Elementary School;

- (9) East Cliff Drive.
 - (a) From Prospect Street to 9th Avenue on the northwesterly side adjacent to Schwan Lake,
 - (b) On both sides, from Larch Lane (private road) easterly and north on 41st Avenue to the south side of the public parking lot entrance;
- (10) Emme Street.
 - (a) From Freedom Boulevard 120 feet southwesterly on the northwesterly side,
 - (b) From Freedom Boulevard 70 feet southwesterly on the southeasterly side;
- (11) Empire Grade Road, on both sides of the roadway, from a point 500 feet south of Heller Drive to a point 500 feet north of Heller Drive;
- (12) Freedom Boulevard, on the southeasterly side, from Green Valley Road easterly 110 feet;
- (13) From 2462 Glen Canyon Road to 2562 Glen Canyon Road, on the easterly side;
- (14) Green Valley Road, on the northeasterly side from Freedom Boulevard northerly 160 feet;
- (15) Hainline Road, from Moosehead Drive to Venetian Road, north side only;
- (15.5) Hillview Way, both sides of the street for 100 feet from Oceanview between 10:00 p.m. and 6:00 a.m.;
- (16) Mattison Lane, on both sides of the street, from Soquel Drive southerly;
- (17) Mill Street, from Main Street to State Highway Route 9, north side only;
- (17.5) Oceanview Drive.
 - (a) Between 10:00 p.m. and 6:00 a.m. for its entirety except as outlined in subsection (17.5)(b) of this section,
 - (b) At all times on the west side of the street for a distance starting approximately 240 feet from San Andreas Road to a point ending approximately 384 feet from San Andreas Road, and on all sides of the island at the intersection of Oceanview and San Andreas Road;

(18) Porter Street.

(a) Within 15 feet along the eastern curb of Porter Street southerly of the southern edge of the crosswalk across Porter Street, at the northern edge of the intersection of Porter Street and Walnut Street in Soquel, as may be indicated by red paint on the curb,

(b) Within 16 feet along the easterly curb of Porter Street northerly of the northern edge and 32 feet along the eastern curb of Porter Street southerly of the southern edge of the driveway of the Soquel Elementary School, lying between the school building and the tennis court, as may be indicated by red paint on the curb;

(19) Rio Del Mar Boulevard, on the north and south sides of the street from the Esplanade easterly 200 feet;

(20) Seacliff Drive, from Center Avenue south 90 feet, westerly side only;

(21) Shell Drive, on the east side, from Beach Road to Sunset Beach State Park boundary;

(22) Soquel Avenue, from Paul Sweet Road overpass easterly to Paul Minnie Avenue on the north side only;

(23) Soquel Drive.

(a) Along the southerly side of Soquel Drive, within 20 feet of the alley adjacent to the United States Post Office, located at 2740 Soquel Drive, except for the purposes of depositing mail into the “courtesy mailbox” or in compliance with the directions of a peace officer,

(b) Either within 15 feet of the driveway entrances to the Aptos Fire Station, or within an equal parallel distance on the side of the street opposite the Aptos Fire Station;

(c) On the south side of Soquel Drive in front of 2500 Soquel Drive (Villa San Carlos Complex) for a distance of 100 feet between the hours of 6:00 a.m. and 5:00 p.m. for the purpose of creating a bus stop.

(24) Soquel-San Jose Road, on both sides of the roadway, from a point 500 feet south of the southerly boundary of the Seventh Day Adventist Conference Grounds to a point 500 feet north of the northerly boundary of said grounds;

(25) On the east side of Sunny Cove Drive, from East Cliff Drive south to the end;

(26) 21st Avenue, south of East Cliff Drive; no parking on the west side from the intersection south to the end of the street. [Ord. 4184 § 1, 1992; Ord. 3956 § 1, 1988; prior code § 10.60.020].

9.36.040 Towaway zones.

Vehicles parked in violation of the following subsections of SCCC 9.36.020 may be towed away by or at the direction of any California Highway Patrol officer or any Sheriff's deputy, to any garage or other storage facility authorized by the Board. Towing and storage of such vehicle shall be at the cost of the driver or owner of the vehicle, and shall be payable before release of the car to such person. Signs shall be posted giving notice that cars illegally parked will be towed away.

- (A) SCCC 9.36.020(4), Beach Road;
- (B) SCCC 9.36.020(6), Bonny Doon Road;
- (C) SCCC 9.36.020(15.5), Hillview Way;
- (D) SCCC 9.36.020(17.5), Oceanview Drive;
- (E) SCCC 9.36.020(23)(c), Soquel Drive. [Ord. 4184 § 2, 1992; Ord. 3956 § 2, 1988; Ord. 2597, 1978; Ord. 2039, 1974; prior code § 10.60.025].

9.36.065 Parks and recreational areas—Parking restrictions.

(A) Pursuant to the authority granted by Vehicle Code Section 22519, it is unlawful for any person to park any vehicle within any County park parking area, in violation of the regulations listed below, and implemented by the Director of the Department of Parks, Open Space and Cultural Services.

- (1) Parking in spaces marked or identified by red curb markings shall be limited as follows: No stopping, standing or parking, except that a bus may stop in a red zone marked or signposted as a bus loading zone. This restriction shall be effective at all times, unless signs indicating specific time periods are also posted in conjunction thereto.
- (2) Parking in spaces marked or identified by green curb markings shall be limited as follows: Parking shall be limited to a maximum time limit of 20 minutes' duration unless signs indicating a different time limit are also posted in conjunction thereto.
- (3) Parking in spaces marked or identified by yellow curb markings shall be limited as follows: Parking shall be limited to commercial loading for the sole purpose of loading or

unloading passengers or freight for a maximum time of 30 minutes, unless signs indicating a different time limit are also posted in conjunction thereto.

(4) Parking in spaces marked or identified by white curb markings shall be limited as follows: Parking shall be limited to passenger loading for the sole purpose of loading or unloading passengers for only the time necessary for completion of same in an expeditious manner, not to exceed five minutes, or for the purpose of depositing mail in an adjacent United States mailbox.

(5) Parking in spaces marked or identified by blue curb markings shall be limited as follows: Parking shall be limited exclusively for use by physically handicapped persons whose vehicles display either of the distinguishing license plates or placards issued to disabled persons pursuant to Section 22511.5 of the California Vehicle Code, or to disabled veterans, as specified in Section 9105 of the California Vehicle Code.

(6) No vehicle shall be left standing in any part of a parking lot that is not marked as a parking space.

(7) Parking in spaces marked or identified as “permit parking” shall be restricted to vehicles of members of the public to whom a parking permit has been issued and to appropriate County employees as determined by the Director of the Department of Parks, Open Space and Cultural Services.

(8) No vehicle shall occupy more than one marked parking space.

(9) Parking in spaces marked or identified as “one hour,” “two hours,” “three hours,” or “four hours” shall be restricted to vehicles of members of the public and shall be limited to the time specified.

(10) No vehicle shall park in spaces marked as a crosswalk.

(11) No vehicle shall park in front of a public driveway except that a bus may stop to load or unload passengers as authorized by local ordinance.

(12) No vehicle shall park in any designated fire lane identified by sign and red curb markings or marked with the words “Fire Lane” in red paint.

(B) Pursuant to the authority granted by Vehicle Code Section 22519, it is unlawful for any person to park any vehicle within any area of a County park which is not a designated parking area. [Ord. 4120 § 1, 1991; Ord. 4018 § 1, 1989].

9.36.070 County parking lots—Parking restrictions.

(A) Pursuant to the authority granted by Vehicle Code Section 22519, it is unlawful for any person to park any vehicle within any off-street parking areas owned or operated by or leased to the County for any County operation (other than County parks, addressed via SCCC 9.36.065), in violation of the regulations listed below, and as implemented by the Director of the Department of General Services.

- (1) Parking in spaces marked or identified as “public parking” shall be restricted to vehicles of members of the public having business in County buildings, but shall be limited to the time necessary to conduct such business.
- (2) Parking in spaces marked or identified as “one-hour” or “two-hour” shall be restricted to vehicles of members of the public having business in County buildings, but shall be limited to the time specified.
- (3) Parking in spaces marked or identified as “permit parking” shall be restricted to vehicles of members of the press and of County employees to whom a parking permit has been issued.
- (4) Parking in spaces marked or identified as “County vehicles only” shall be restricted to County-owned or County-leased vehicles.
- (5) Parking in spaces marked or identified with the name of a County office, including but not limited to supervisors and department heads, shall be restricted to a vehicle of the specified County officer.
- (6) Parking in spaces marked or identified by red curb markings shall be limited as follows: no stopping, standing or parking, except that a bus may stop in a red zone marked or signposted as a bus loading zone. This restriction shall be effective at all times, unless signs indicating specific time periods are also posted in conjunction thereto.
- (7) Parking in spaces marked or identified by green curb markings shall be limited as follows: parking shall be limited to a maximum time limit of 20 minutes’ duration unless signs indicating a different time limit are also posted in conjunction thereto.

(8) Parking in spaces marked or identified by yellow curb markings shall be limited as follows: parking shall be limited to commercial loading for the sole purpose of loading or unloading passengers or freight for a maximum time of 30 minutes, unless signs indicating a different time limit are also posted in conjunction thereto.

(9) Parking in spaces marked or identified by white curb markings shall be limited as follows: parking shall be limited to passenger loading for the sole purpose of loading or unloading passengers for only the time necessary for completion of same in an expeditious manner, not to exceed five minutes, or for the purpose of depositing mail in an adjacent United States mailbox.

(10) Parking in spaces marked or identified by blue curb markings shall be limited as follows: parking shall be limited exclusively for use by physically handicapped persons whose vehicles display either of the distinguishing license plates or placards issued to disabled persons pursuant to Section 22511.5 of the California Vehicle Code, or to disabled veterans, as specified in Section 9105 of the California Vehicle Code.

(11) No vehicle shall be left standing in any part of a parking lot that is not marked as a parking space.

(12) Notwithstanding any of the above regulations, the above described off-street parking areas shall be open to and restricted to vehicles of County employees and to vehicles of members of the public having business in County buildings. Parking by members of the public shall be limited to the time necessary to conduct such business.

(13) No vehicle shall occupy more than one marked parking space.

(14) No operator of any vehicle shall move or permit the vehicle to be moved from one parking space to another within any public parking lot, at any time and in such manner that the vehicle remains in the parking lot a period of time in excess of the parking time limit for the parking lot.

(15) No operator of any vehicle shall remove or permit the removal of any tire marking or other marking or device affixed to the vehicle in connection with the enforcement of established time limits, so as to avoid or impair the enforcement of provisions of this chapter.

(16) Parking in spaces marked or identified as “electric vehicle charging only” shall be restricted to a maximum of three hours.

(B) For purposes of these regulations, “members of the public” means and includes visitors, members of boards, commissions, official committees, jurors, and members of the press, but does not include County employees. [Ord. 5228 § 1, 2016; Ord. 4512 § 1, 1998; Ord. 4018 § 1, 1989; Ord. 2547, 1978; Ord. 1678, 1972; prior code § 10.60.040].

9.36.080 Overnight parking prohibited.

(A) Except as specifically authorized by the Director of the Department of General Services, it is unlawful for any person to park a vehicle overnight or camp therein overnight in any off-street parking area owned or operated by or leased to the County of Santa Cruz for any County operation other than County parks.

(B) Except as specifically authorized by the Director of the Department of Parks, Open Space and Cultural Services, it is unlawful for any person to park a vehicle in any County park parking area after the posted closing hours of the park. [Ord. 4018 § 1, 1989; Ord. 2547, 1978; prior code § 10.60.045].

9.36.085 Parks and recreational area parking lots—Administration and enforcement.

The Director of the Department of Parks, Open Space and Cultural Services is authorized to administer the regulations adopted by the Board of Supervisors for parking within any County park and in any additional areas delegated by the Director of the Department of Public Works. The Director shall:

(A) Determine the necessity for parking regulations in the area, and recommend adoption of such regulations to the Board of Supervisors;

(B) Implement the parking regulations adopted by the Board of Supervisors by determining appropriate locations for the various parking restrictions, preparing the diagram of the County park parking areas, identifying restricted parking areas, and causing appropriate curb markings and/or signs implementing the regulations to be erected and maintained in the area;

(C) Cause a copy of adopted regulations and the above-described diagram of the parking areas to be kept available to the public at the Department of Parks, Open Space and Cultural Services and the Office of the County Clerk;

(D) Enforce adopted regulations in the parking areas by issuing citations for the violation thereof;

(E) Enforce adopted regulations in the parking areas by removal of such vehicles pursuant to the authority granted by Vehicle Code Section 22651 (n). [Ord. 4018 § 1, 1989].

9.36.090 County parking lots—Administration and enforcement.

Except as provided in SCCC 9.36.085 and 9.43, the Director of the Department of General Services is authorized to administer the regulations adopted by the Board of Supervisors within any off-street parking areas owned or operated by or leased to the County. The Director shall:

(A) Determine the necessity for parking regulations in the area, and recommend adoption of such regulations to the Board of Supervisors;

(B) Implement the parking regulations adopted by the Board of Supervisors by determining appropriate locations for the various parking restrictions, preparing the diagram of the County parking areas, identifying the restricted parking areas, and causing appropriate curb markings and/or signs implementing the regulations to be erected and maintained in the area;

(C) Cause a copy of adopted regulations and the above-described diagram of the parking areas to be kept available to the public at the Department of General Services and the Office of the County Clerk;

(D) Enforce adopted regulations in the parking areas by issuing citations for the violation thereof;

(E) Enforce adopted regulations in the parking areas by removal of such vehicles pursuant to the authority granted by Vehicle Code Section 22651(n). [Ord. 4155 § 2, 1991; Ord. 4018 § 1, 1989; Ord. 2547, 1978; Ord. 1678, 1972; prior code § 10.60.050].

SECTION VIII

Sections 9.37.010 and 9.37.020 of the Santa Cruz County Code are hereby amended to read as follows:

9.37.010 Enforcement authority.

Pursuant to the provisions of California Penal Code Section 836.5, the Director of the Department of Parks, Open Space, and Cultural Services and their delegated subordinates are authorized to enforce the provisions of the Vehicle Code for illegal parking in the beach areas and issue citations for such violations. [Ord. 4222 § 1, 1992].

9.37.020 Areas in which citations may be issued.

The beach areas in which citations may be issued will be described by resolution of the Board of Supervisors. [Ord. 4222 § 1, 1992].

SECTION IX

Chapter 9.45 of the Santa Cruz County Code (including the Table of Contents) is hereby amended to read as follows:

Sections:

9.45.010 Felton Library Parking Only zone.**9.45.030 Felton Library Parking Only zone description.****9.45.040 Hours of restricted parking.****9.45.050 Posting of parking restrictions.****9.45.060 Enforcement.****9.45.070 Violation.****9.45.010 Felton Library Parking Only zone.**

Under the provisions of California Vehicle Code Section 22507, the Board of Supervisors does hereby ordain that a Felton Library Parking Only zone be established in the area of the Felton Library for the use of library patrons. [Ord. 3741 § 1, 1986].

9.45.030 Felton Library Parking Only zone description.

The Felton Library Parking Only zone shall consist of the parking space available on the east and west sides of Gushee Street for a distance of 100 feet from the corner of Gushee Street and Felton Empire Road. [Ord. 3741 § 1, 1986].

9.45.040 Hours of restricted parking.

The Felton Library Parking Only zone restrictions on Gushee Street shall be in effect from 9:00 a.m. to 6:00 p.m. daily. [Ord. 3741 § 1, 1986].

9.45.050 Posting of parking restrictions.

The Director of the Department of Public Works shall cause appropriate signs to be erected prominently indicating the conditions under which parking restrictions shall be enforced. [Ord. 3741 § 1, 1986].

9.45.060 Enforcement.

Pursuant to the provisions of California Penal Code Section 836.5, the Felton Library librarian and their delegated subordinates are authorized to enforce the provisions of this chapter and issue citations for violations. In addition, the Sheriff and the California Highway Patrol may also enforce the provisions of this chapter. [Ord. 3741 § 1, 1986].

9.45.070 Violation.

It is unlawful and a violation of this chapter for any person to stand or park a motor vehicle in the Felton Library Parking Only zone except as permitted by this chapter. Such violation shall be subject to a civil penalty, the enforcement of which shall be governed by the civil administrative procedures set forth in Division 17, Chapter 1, Article 3 (commencing with Section 40200) of the California Vehicle Code. [Ord. 4288 § 5, 1994; Ord. 4219 § 3, 1992].

SECTION X

Chapter 9.46 of the Santa Cruz County Code (including the Table of Contents) is hereby amended to read as follows:

Sections:

- 9.46.010 Definitions.**
- 9.46.020 Permit parking zone established.**
- 9.46.030 Description of area of zone.**
- 9.46.040 Permit—Application.**
- 9.46.050 Permit—Fee.**
- 9.46.060 Permit issuance—Residents.**
- 9.46.070 Permit issuance—Nonresidents.**
- 9.46.080 Permit issuance—Guests of residents.**
- 9.46.090 Permit—Use limitations.**
- 9.46.100 Permit—Display requirements.**
- 9.46.110 Permit—Period of validity—Renewal.**
- 9.46.120 Permit—Replacement.**

- 9.46.130 Permit—Revocation.**
- 9.46.140 Parking dates and times.**
- 9.46.150 Exemptions.**
- 9.46.160 Signposting of parking regulations.**
- 9.46.170 Enforcement—Statutory provisions adopted.**
- 9.46.180 Unlawful acts designated—Penalty.**

9.46.010 Definitions.

Whenever in this chapter the following terms are used, they shall be deemed and construed to have the following meanings:

- (A) “Director” means the Director of the Department of Public Works or their designee.
- (B) “Guest of resident” means a bona fide visitor to a residence located in the permit parking zone.
- (C) “Motor vehicles” means and includes any device upon which any person or property may be propelled, moved, or drawn upon a highway. For the purpose of this chapter, a motor vehicle shall include a licensed automobile, truck, housecar, trailer, motorcycle, or other motor-driven or motor-drawn form of transportation weighing over 50 pounds.
- (D) “Resident” means the principal occupant of a single-family dwelling, condominium, or multiple-family dwelling. The quarters occupied are called a “residence” or a “household.” [Ord. 4211 § 1, 1992].

9.46.020 Permit parking zone established.

Pursuant to California Vehicle Code Section 22507, the Board of Supervisors ordains that a preferential parking zone is established in the Fall Creek Drive area in which parking will be prohibited during a defined period of time. Exemptions from such prohibition, when not otherwise indicated in this chapter, will be obtained by securing and displaying in a vehicle a parking permit as described herein. [Ord. 4211 § 1, 1992].

9.46.030 Description of area of zone.

The Fall Creek permit parking zone in which parking will be permitted by the display of a valid permit will be described by resolution of the Board of Supervisors. [Ord. 4211 § 1, 1992].

9.46.040 Permit—Application.

Each application or reapplication for an annual parking permit shall contain information sufficient to identify the applicant, their address within the permit zone, the license number of the motor vehicle for which application is made, and such other information that may be deemed relevant by the Director. [Ord. 4211 § 1, 1992].

9.46.050 Permit—Fee.

The fees for resident and nonresident parking permits and for changes to or replacement of parking permits shall be established by resolution of the Board of Supervisors. [Ord. 4211 § 1, 1992].

9.46.060 Permit issuance—Residents.

Residents' parking permits shall be issued by the Director. No more than one parking permit shall be issued to each motor vehicle for which application is made. The Director is authorized to issue such rules and regulations consistent with this chapter governing the manner in which residents may qualify for parking permits. [Ord. 4211 § 1, 1992].

9.46.070 Permit issuance—Nonresidents.

(A) Nonresidents may obtain a yearly or daily parking permit to park within the parking permit zone. The Director shall limit the number of daily nonresident permits available for sale to not more than 10 permits each day and shall limit the number of yearly nonresident permits available for sale to not more than 15. These limits shall not apply to nonresident owners of property located within the permit parking zone.

(B) The Director is authorized to issue rules and regulations consistent with this chapter governing the manner in which nonresidents and nonresident property owners may qualify for parking permits.

(C) Only one permit shall be issued to each qualified applicant pursuant to this section. [Ord. 4211 § 1, 1992].

9.46.080 Permit issuance—Guests of residents.

The Director is authorized to issue parking permits to residents of the permit parking zone to be used by their bona fide transient guests. Such guest permits will be identified at the time of issuance with the name and address of the resident. No more than two guest permits may be issued per residence. [Ord. 4211 § 1, 1992].

9.46.090 Permit—Use limitations.

A parking permit shall not guarantee or reserve to the holder thereof an on-street parking space within the designated permit zone, nor shall permit holders be exempt from parking restrictions or prohibitions established pursuant to authority other than this chapter. [Ord. 4211 § 1, 1992].

9.46.100 Permit—Display requirements.

(A) Resident permits, annual nonresident permits, and nonresident owner permits shall be permanently affixed to the motor vehicle in a way that they shall be easily seen and read by enforcement officers.

(B) All other permits shall be displayed on the dashboard of the vehicle in a way that they may be easily seen and read by enforcement officers. Vehicles without dashboards or windshields shall have permits attached to the vehicle in such a manner that they may be easily seen and read by enforcement officers. [Ord. 4211 § 1, 1992].

9.46.110 Permit—Period of validity—Renewal.

(A) Except for daily permits issued to nonresidents, all parking permits issued pursuant to the provisions of this chapter shall be valid during the period of time within the calendar year when the permit is issued.

(B) Permits may be renewed annually upon reapplication in the manner required by the Director. [Ord. 4211 § 1, 1992].

9.46.120 Permit—Replacement.

The Director may issue a duplicate permit to any person who can furnish proof that their permit has been destroyed or lost, or that they no longer possess the vehicle to which the permit was affixed. This section does not apply to daily permits. [Ord. 4211 § 1, 1992].

9.46.130 Permit—Revocation.

The Director is authorized to revoke the parking permit of any person found to be in violation of this chapter, and upon written notification thereof, the person shall surrender such permit to the Director. Failure, when so requested, to surrender a parking permit so revoked shall constitute a violation of this chapter. [Ord. 4211 § 1, 1992].

9.46.140 Parking dates and times.

The date and time when parking restrictions will be in effect in the permit parking zone will be established by resolution of the Board of Supervisors. [Ord. 4211 § 1, 1992].

9.46.150 Exemptions.

(A) Those vehicles bearing a permit issued under this chapter are exempt from the parking restrictions set forth in this chapter.

(B) Emergency vehicles, government vehicles, and vehicles bearing a license plate or placard issued by the California Department of Vehicles for disabled individuals are exempt from the parking restrictions of this chapter.

(C) Vehicles readily identifiable as commercial, delivery, service, and contractors' vehicles, while the occupants of the vehicle are actually engaged in providing services to residences or commercial enterprises, or in the maintenance and repair of public services or utilities, will be exempt from the parking restrictions of this chapter.

(D) All alleys, private property, private streets and roads are exempt from the parking restrictions of this chapter. [Ord. 4211 § 1, 1992].

9.46.160 Signposting of parking regulations.

The Director shall cause appropriate signs to be erected inside or outside the permit parking zone indicating prominently thereon the conditions under which permit parking regulations shall be enforced. [Ord. 4211 § 1, 1992].

9.46.170 Enforcement—Statutory provisions adopted.

The Sheriff and the California Highway Patrol may enforce the provisions of this chapter. [Ord. 4211 § 1, 1992].

9.46.180 Unlawful acts designated—Penalty.

(A) It is unlawful and a violation of this chapter for any person to stand or park a motor vehicle in the permit parking zone except as permitted by this chapter. Such violation shall be subject to a civil penalty, the enforcement of which shall be governed by the civil administrative procedures set forth in Division 17, Chapter 1, Article 3 (commencing with Section 40200) of the California Vehicle Code.

(B) It is unlawful and a violation of this chapter for a person to falsely represent themselves as eligible for a parking permit, or to furnish false information in an application therefor to the Director.

(C) It is unlawful and a violation of this chapter for a person holding a valid parking permit issued pursuant hereto to permit the use or display of such permit on a motor vehicle other than

that for which the permit is issued. Such conduct shall constitute an unlawful act and violation of this chapter both by the person holding the valid parking permit and the person who so uses or displays the permit on a motor vehicle other than that for which it is issued.

(D) It is unlawful and a violation of this chapter for a person to copy, produce, or otherwise bring into existence a facsimile or counterfeit parking permit or permits without written authorization from the Director. It is further unlawful and a violation of this chapter for a person to knowingly use or display a facsimile or counterfeit parking permit in order to evade limitations on parking applicable in a permit parking zone.

(E) A conviction for violation of SCCC 9.46.150 or subsections (B), (C) or (D) of this section is punishable by a fine not to exceed \$500.00. [Ord. 4288 § 6, 1994; Ord. 4211 § 1, 1992].

SECTION XI

This ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED this ___ day of November 2019, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS
ABSTAIN: SUPERVISORS

Chairperson of the
Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

Office of the County Counsel

cc: Board of Supervisors
County Administrative Office
Department of Public Works
Parks Department

ATTACHMENT B

Chapter 9.08 SPEED LIMITS

9.08.040 Twenty-five miles per hour.

There is determined and declared a speed limit of 25 miles per hour on the following named roads:

6th Avenue, for its entire length northerly from East Cliff Drive;

7th Avenue, for its entire length from Soquel Avenue to East Cliff Drive;

30th Avenue, from the Santa Cruz Branch Rail Line~~Southern Pacific Railroad~~ to Capitola Road;

41st Avenue.

(1) From the Capitola city limits south to East Cliff Drive,

(2) From the Capitola city limits north to Soquel Drive;

Amesti Road.

(1) Beginning at Green Valley Road for a distance of 0.40 miles northerly,

(2) Between Vami Road and Crow Avenue;

Beach Drive, for its entire length southeasterly from Rio Del Mar Boulevard;

Beverly Drive, for its entire length easterly from State Highway Route 152;

Brommer Street, for its entire length westerly from the city of Capitola;

Calabasas Road, from Buena Vista Drive to Via Nicola;

Canham Road, for its entire length from the city of Scotts Valley;

Cathedral Drive, from Trout Gulch Road northerly 1.40 miles;

Chanticleer Avenue, from Soquel Avenue to Kinsley Street;

Cherryvale Avenue, for its entire length;

Cliff Drive, from Rio Del Mar Boulevard to Bay View Drive;

Club House Drive, for its entire length southeasterly from Rio Del Mar Boulevard;

ATTACHMENT B

College Road, for its entire length easterly from State Highway Route 152;

Corralitos Road, from Hames Road to Aldridge Lane;

Cunningham Way, for its entire length;

Day Valley Road from Freedom Boulevard to McDonald Road;

Day Valley Road, from Valencia Road to McDonald Road;

Dick Phelps Road, for its entire length of 0.13 miles easterly from Green Valley Road;

Double Bogey Drive, for its entire length from Hilton Drive;

East Cliff Drive, from 5th Avenue to 41st Avenue;

East Zayante Road, from 0.10 miles north of Lompico Road to 0.20 miles north of Westwood Road;

El Rancho Drive, from a point 0.1 miles north of its intersection with La Madrona Drive to a point 0.4 miles north;

Fairway Drive, from Soquel Drive northerly for a distance of 0.92 miles;

Fall Creek Road, for its entire length southwesterly from State Highway 9;

Glen Haven Road, from Cherryvale Avenue to its end;

Glenn Coolidge Drive, from High Street to Hagar Drive;

Hames Road.

(1) From Corralitos Road to a point 0.82 miles northwesterly of its intersection with Corralitos Road,

(2) From Freedom Boulevard to Pleasant Valley Road;

Hihn Road, from Glen Arbor Road for its entire length;

Hilton Drive, for its entire length from State Highway 236;

Holohan Road.

ATTACHMENT B

(1) From Green Valley Road easterly for a distance of 0.2 miles,

(2) From a point 720 feet northwesterly from its intersection with State Highway 152;

Huntington Drive, for its entire length northerly from Wallace Avenue;

La Cuesta Drive, from city limits of Scotts Valley Drive to Canepa Drive;

Lake Drive, for its entire length east and west of Hare Way;

Laken Drive, as the same is delineated on the map of Orchard Park Subdivision, Tract Nos. 1 and 2. No. 1 is recorded in Volume 29 of Maps at page 53; No. 2 is recorded in Volume 31 of Maps at page 30 in the office of the County Recorder;

Lakeview Road, from 0.10 miles northerly of Meredith Drive to 0.20 miles southerly of Crestwood Drive;

Lakeview Drive, Felton, for its entire length;

Larkin Valley Road, from a point 2.5 miles north of Buena Vista Drive, northerly for a distance of 0.8 miles;

Lompico Road, for its entire length northerly from East Zayante Road;

Main Street, from Porter Street to Cherryvale Avenue;

Manfre Road, from Larkin Valley Road to Buena Vista Drive;

Mar Monte, from San Andreas Road to Alta Drive;

Martin Drive, from Rio Del Mar Boulevard to Cliff Drive;

Meidl Road, for its entire length of 0.21 miles southerly from Minto Road;

Minto Road, for a distance of 0.13 miles easterly from Green Valley Road;

Newell Creek Road, from Glen Arbor Road to Rancho Rio Avenue;

Ocean Street, from Crossing Street to the end;

Olive Springs Road, for its entire length;

Opal Cliffs Drive, for its entire length easterly from 41st Avenue;

ATTACHMENT B

Playa Boulevard, for its entire length southwesterly from San Andreas Road;

Porter Street, from Highway 1 to Paper Mill Road;

Portola Drive, from 41st Avenue to the city limits of Capitola;

Redwood Drive, Felton, for its entire length;

Rio Del Mar Boulevard, from State Highway 1 to the Esplanade;

Riva Ridge Road, from Hutchinson Road to Mt. Charlie Road;

San Lorenzo Avenue, from State Highway 9 westerly for a distance of 0.68 miles;

Sims Road, for its entire length;

Soquel Avenue, from Paul Minnie Avenue to Soquel Drive;

Soquel Drive.

(1) From Robertson Street to Rosedale Avenue,

(2) From the westerly intersection of Ledyard Way to 0.3 miles east of Aptos Street;

State Park Drive, from Santa Cruz Avenue to Soquel Drive;

Sumner Avenue.

(1) From Rio Del Mar Boulevard to Los Altos Drive,

(2) For its entire length easterly from Clubhouse Drive;

Thurber Lane, for its entire length northerly from Winkle Avenue;

Trembly Lane, for its entire length;

Trout Gulch Road, from Soquel Drive to Cathedral Drive;

Wallace Avenue, for its entire length northerly from Huntington Drive;

Whiting Road, from a point 0.63 miles southwesterly of Casserly Road to Paulsen Road. [Ord. 5036 § 1, 2009; Ord. 4918 § 1, 2008; Ord. 4832 § 2, 2006].

ATTACHMENT B

9.08.060 Thirty-five miles per hour.

There is determined and declared a speed limit of 35 miles per hour on the following named roads:

Airport Boulevard, from city limits of Watsonville to Green Valley Road;

Amesti Road, from East Riando Road to Varni Road;-

~~(1) From Crow Avenue to Browns Valley Road,~~

~~(2) From East Riando Road to Vami Road;~~

Bear Creek Road, from Pilger Road to State Highway 35;

Bonny Doon Road, from 0.9 miles north of Pine Flat Road intersection to 1.7 miles north of this point;

Branciforte Drive, from city limits of Santa Cruz to Mountain View Road;

Browns Valley Road, from a point 0.7 miles north of its intersection with Amesti Road to a point 1.6 miles north of its intersection with Amesti Road;

Buena Vista Drive, from Highway 1 to San Andreas Road;

Cabrillo College Drive from Park Avenue a distance of 0.66 miles;

Capitola Road, from the city limits of Santa Cruz to Seventh Avenue;

Casserly Road for its entire length;

Conference Drive.

(1) From Graham Hill Road to Roaring Camp Road,

(2) From Mt. Hermon Road to end;

Corralitos Road, from Freedom Boulevard to Aldridge Lane;

Felton-Empire Road, for a distance of 0.6 miles westerly from State Route 9;

Graham Hill Road.

(1) From the Santa Cruz city limits to Treetop Lane,

ATTACHMENT B

- (2) From the Probation Center northerly to the railroad tracks;

Green Valley Road, from the Corralitos Creek crossing to a point 2.0 miles northerly of Casserly Road;

Hames Road from a point 0.82 miles northwesterly of its intersection with Corralitos Road to Pleasant Valley Road;

Lakeview Road, from 0.20 miles southerly of Crestwood Drive to State Highway Route 129;

Larkin Valley Road.

- (1) From Watsonville city limits to Buena Vista Drive,
- (2) From a point 1.5 miles north of Buena Vista Drive northerly for a distance of 1.0 miles,
- (3) From a point 3.3 miles north of Buena Vista Drive to Highway 1;

Lockewood Lane, from Graham Hill Road to the city limits of Scotts Valley;

McDonald Road, from Freedom Boulevard to Day Valley Road;

Mount Madonna Road, from Casserly Road to 0.6 miles northwest of Casserly Road;

Newell Creek Road, from Rancho Rio Avenue to its northerly termination;

Park Avenue, from Soquel Drive to the city limits of Capitola;

Pleasant Valley Road, from Hames Road to Freedom Boulevard;

Plymouth Street, from the city of Santa Cruz to Pasatiempo overcrossing;

Quail Hollow Road, from a point 1.2 miles east of Glen Arbor Road to East Zayante Road;

Soquel Avenue.

- (1) From Gross Road to Paul Minnie Avenue,
- (2) From Santa Cruz city limits to Soquel Drive;

Soquel Drive.

- (1) From Rosedale Avenue to the westerly intersection of Ledyard Way,

ATTACHMENT B

(2) From Soquel Avenue to Robertson Street,

(3) From 0.3 miles east of Aptos Street to Freedom Boulevard;

Soquel-San Jose Road, from Paper Mill Road to a point 1.4 miles north of Soquel Drive;

Sumner Avenue, from Los Altos Drive to Clubhouse Drive;

Thurber Lane, from Soquel Drive to Helen Avenue;

Trabing Road for its entire length;

Trout Gulch Road, from Cathedral Drive to Valencia Road;

Valencia Road, from Trout Gulch Road to Valencia School Road;

Varni Road from Amesti Road to Corralitos Road;

West Zayante Road, for its entire length;

Wheelock Road, for its entire length;

Whiting Road, from Casserly Road to a point 0.63 miles southwesterly. [Ord. 5275 § 1, 2018; Ord. 5036 § 3, 2009; Ord. 4918 § 3, 2008; Ord. 4832 § 2, 2006].

9.08.070 Forty miles per hour.

There is determined and declared a speed limit of 40 miles per hour on the following named roads:

Amesti Road from 0.4 miles northwesterly of Green Valley Road to East Riando Road;

Beach Road from the city limits of Watsonville southwesterly for its entire length;

Bear Creek Road, from Keller Drive to Pilger Road;

Browns Valley Road, from a point 1,600 feet northerly of Amesti Road to a point 0.7 miles northerly of Amesti Road;

Buena Vista Drive, from Manfre Road to State Highway One;

Calabasas Road, from Via Nicola to a point 0.75 miles westerly;

Carlton Road, from State Highway 152 to State Highway 129;

ATTACHMENT B

East Zayante Road, from Graham Hill Road to 0.10 miles north of Lompico Road;

Empire Grade, from the city limits of Santa Cruz to the end;

Freedom Boulevard.

(1) From a point 0.3 miles west of its intersection with Corralitos Road, to a point 0.2 miles east of its intersection with Corralitos Road,

(2) From Bowker Road to Buena Vista Drive;

Glenwood Drive, for its entire length northerly of Scotts Valley city limits;

Lakeview Road, from Carlton Road to 0.10 miles northerly of Meredith Drive;

Larkin Valley Road, from Buena Vista Drive to a point 1.5 miles northerly;

MacGregor Drive, from the city limits of Capitola to Searidge Drive;

~~Pine Flat Road from Martin Road to Comstock Lane;~~

San Andreas Road, from State Highway Route 1 to 0.25 miles northwesterly of Mar Monte Boulevard;

Soquel-San Jose Road, from a point 1.4 miles north of Soquel Drive to Summit Road;

Summit Road, from the Santa Clara County line to Soquel-San Jose Road. [Ord. 5275 § 2, 2018; Ord. 5039 § 2, 2009; Ord. 4918 § 4, 2008; Ord. 4832 § 2, 2006].

9.08.080 Forty-five miles per hour.

There is determined and declared a speed limit of 45 miles per hour on the following named roads:

Freedom Boulevard.

(1) From a point 0.2 miles east of its intersection with Corralitos Road to Bowker Road,

(2) From Rob Roy Junction to a point 0.3 miles westerly of Corralitos Road;

Glenn Coolidge Drive, from Hagar Drive to Santa Cruz city limits;

Graham Hill Road from Treetop Lane to the County Probation Center;

ATTACHMENT B

Holohan Road, from a point 0.2 miles east of Green Valley Road to a point 720 feet west of State Route 152;

Mount Hermon Road from Graham Hill Road to the city limits of Scotts Valley;

Pioneer Road from Green Valley Road to Amesti Road;

Pine Flat Road from Martin Road to Comstock Lane;

San Andreas Road, from 0.35 miles southerly of the Santa Cruz Branch Rail Line~~SPRR~~ underpass at Manresa Beach to Beach Road. [Ord. 5039 § 3, 2009; Ord. 4832 § 2, 2006].

ATTACHMENT C

Chapter 9.16 LIMITED-ACCESS THOROUGHFARES

9.16.020 Designated limited-access thoroughfares.

The following roads or passageways shall be limited-access thoroughfares:

(A) Ben Lomond and Toll Road. The portion of Ben Lomond Toll Road (also known as Old County Road) from the intersection of Brooks Road north to 9550 Ben Lomond Toll Road shall be restricted to pedestrian, equestrian and bicycle use, and for emergency and utility vehicle access.

(B) Buena Vista-Calabasas Bikepath. The designated portion of the southerly side of Buena Vista Drive from Memorial Avenue to Calabasas Road, and the designated portion of the southerly side of Calabasas Road from Buena Vista Drive to Bradford Road;

(C) Buzzard Lagoon Road (Pedestrian and Equestrian Way During Winter Months). The portion of Buzzard Lagoon Road between its intersection with Highland Way and a point 100 yards north of Vaca Del Sol shall be restricted to pedestrian and equestrian traffic between October 15th and April 15th of each year, except during such limited periods as the Area Manager of the State Department of Parks and Recreation determines the road can be opened for motor vehicle traffic without damage to the road or to surrounding property, and except for persons with a legal right-of-way on Buzzard Lagoon Road who are given keys by the Director of the Department of Public Works for vehicle access through the locked gates on the road.

(D) Freedom Boulevard Bikepath. The designated portion of the easterly side of Freedom Boulevard, from Highway 1 to Valencia Road;

(E) Green Valley Road Bikepath. The designated portion of the westerly side of Green Valley Road from the entrance to Pinto Lake Park to Dalton Lane, and the designated portion of the easterly side of Green Valley Road from Dalton Lane to Mesa Verde Drive;

(F) Loma Prieta Avenue Bikepath. The designated 10-foot right-of-way from the intersection of Airport Road and Holly Drive to Loma Prieta Avenue;

(G) Pajaro Bikepath. The top of the northerly levee along the Pajaro River, between Main Street in Watsonville and Watsonville Slough;

ATTACHMENT C

(H) Rio Del Mar Bikepath. The designated portion of the northerly side of Rio Del Mar Boulevard, from Clubhouse Drive to Beach Pines Drive;

(I) Summit Road Bikepath. The designated portion of the northerly side of Summit Road, from Loma Prieta Road to Del Monte Way. [Ord. 4323 § 1, 1994; Ord. 3180 § 1, 1981; Ord. 2246, 1976; prior code § 10.66.020].

9.16.040 Exemptions from SCCC 9.16.030.

The provisions of SCCC 9.16.030 shall not apply to:

- (A) Any employee of a public agency acting within the scope of their~~his~~ employment;~~and~~
- (B) Any person crossing a limited-access thoroughfare which is adjacent to a public road from such road to an access drive or roadway, or from an access drive or roadway to such road; or~~and~~
- (C) Any person using a limited-access thoroughfare which is not adjacent to a public road for access purposes with the permission, whether express or implied, of an adjoining property owner who has a legal right to use the thoroughfare. [Ord. 2246, 1976; prior code § 10.66.040].

ATTACHMENT D

Chapter 9.20 ONE-WAY STREETS

Sections:

9.20.010 One-way streets designated.

9.20.010 One-way streets designated.

The following streets or portions thereof, as delineated below, are designated to be one-way in the direction indicated:

5th Avenue, northbound from ~~Carmel Street~~Lake Avenue to Eaton Street;

5th Avenue, southbound from Lake Avenue to East Cliff Drive;

Assembly Avenue, southbound from Alpine Street to East Cliff Drive;

Axford Road, westbound from approximately 425 feet of Lotman Drive westerly to end;

Bennett Road, westbound from Moosehead Drive to Venetian Road;

Davenport Landing Road, northbound from address number 330 Davenport Landing Road to Highway 1;

East Cliff Drive, eastbound from 32nd Avenue to 41st Avenue approximately 150 feet south of Opal Cliffs Drive.

~~(1) Eastbound from 38th Avenue to 41st Avenue approximately 150 feet south of Opal Cliffs Drive;~~

~~(2) Eastbound from 32nd Avenue to 38th Avenue;~~

Hainline Road, eastbound from Moosehead Drive to Venetian Road~~Aptos Beach Drive~~;

Lago Lane, southbound from Eaton Street to Lake Avenue;

Lake Avenue, southbound from Eaton Street to 5th Avenue;

Laurel Street, northbound from Harmon Street to Lomond Street;

Moosehead Drive, southbound from Spreckles Drive to the Esplanade;

Murray Avenue, westbound from Clubhouse Drive to Rio Del Mar Boulevard;

ATTACHMENT D

Pine Street, northbound from Lomond Street to Forest Street;

Soquel-Wharf Road, eastbound from Robertson Street to Porter Street;

Stephen Road~~;~~

- (1) Eastbound, from Aptos Beach Drive to Venetian Road,
- (2) Westbound, from Moosehead Drive to Aptos Beach Drive~~Venetian Road~~;

Venetian Road, eastbound from the Esplanade to Marina Avenue;

West Branciforte Drive, between its intersection with Highway 17 and Branciforte Drive, and further, that such road shall be one-way in the northerly direction;

West Walnut Street, westbound from Porter Street to Robertson Street~~;~~

Winfield Way, eastbound from Moosehead Drive to Aptos Beach Road. [Ord. 4726 § 1, 2003; Ord. 4552 § 1, 1999; Ord. 4446 § 1, 1997; Ord. 4394 § 1, 1995; Ord. 4363 § 1, 1995; Ord. 4320 § 1, 1994; Ord. 4299 § 1, 1994; Ord. 4287 §§ 1, 2, 1994; Ord. 3874 § 1, 1987; Ord. 3626 § 1, 1985; Ord. 2585, 1978; Ord. 2488, 1977; Ord. 1521, 1970; Ord. 1354, 1968; Ord. 1212, 1966; Ord. 1161, 1966; prior code § 10.55.010].

ATTACHMENT E

Chapter 9.24 PRIVATE ROADS

Sections:

9.24.010 Definitions.

9.24.015 California Vehicle Code applicable.

9.24.020 Driving unlawful without license.

9.24.030 Speed limit on private roads.

9.24.040 Stopping at intersections.

9.24.050 Following too closely.

9.24.060 Reckless driving.

9.24.070 Parking and standing vehicles.

9.24.080 Private ownership and maintenance of roads designated under this chapter.

9.24.020 Driving unlawful without license.

No person shall drive a motor vehicle upon a private road unless ~~they~~he then holds a driver's license issued under the provisions of the California Vehicle Code, except such persons as are expressly exempted under the California Vehicle Code. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.070].

9.24.030 Speed limit on private roads.

~~It is hereby found and determined a~~ prima facie speed limit of 25 miles per hour applies to~~en~~ private roads. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.030].

9.24.060 Reckless driving.

No person shall drive any vehicle upon private roads in willful or wanton disregard for the safety of persons or property. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.050].

9.24.070 Parking and standing vehicles.

No person shall stop, park or leave standing any vehicle, whether attended or unattended, upon the main traveled portion of a private road, when it is practicable to stop, park or ~~so~~ leave such vehicle off the main traveled portion. ~~such part or portion of such private road, Whenever a vehicle is stopped on a private road, but in every event~~ an unobstructed width adjacent to the~~opposite a~~ standing vehicle shall be left for the free passage of other vehicles, and a clear view of the~~such~~ stopped vehicle shall be available from a distance of 200 feet in each direction along the roadway upon such private road. This section shall not apply to the driver of any vehicle which is disabled. [Ord. 3972 § 1, 1989; Ord. 732, 1961; prior code § 10.65.060].

ATTACHMENT E

9.24.080 Private ownership and maintenance of roads designated under this chapter.

The Director of the Department of Public Works may impose reasonable conditions on the use of private roads and may authorize the owners to erect traffic signs, signals, markings and devices which conform to the uniform standards and specifications adopted by the State Department of Transportation. The owners of any private road shall bear all reasonable costs associated with the signing, maintenance and operation of such road. [Ord. 3972 § 1, 1989].

ATTACHMENT F

Chapter 9.28 STOP INTERSECTIONS

Sections:

9.28.010 Temporary sStop sign locations.

9.28.020 Stop intersections designated.

9.28.030 Multi-way stop intersections designated.

9.28.010 Temporary sStop sign locations.

~~The following are designated as stop sign locations, and a~~All vehicles shall stop at ~~such locations:~~

~~(A)—All temporary stop sign locations established by the Director of the Department of Public Works as a result of damaged roads and/or construction/maintenance projects ~~as directed by the Public Works Director~~. [Ord. 4436 § 1, 1996].~~

9.28.020 Stop intersections designated.

The following intersections are designated as stop intersections; stop signs shall be erected on the streets at the locations designated below, and all vehicles shall stop before entering such intersections from the streets indicated as follows:

On 5th Avenue, at:

- (1) Dolores Street, south side,
- (2) Eaton Street;

On 6th Avenue, at:

- (1) Dolores Street,
- (2) Eaton Street;

On 8th Avenue, at Eaton Street;

On 15th Avenue, at Webster Street;

On 17th Avenue, at Commercial Way;

On 24th Avenue, at Felt Street;

On 32nd Avenue, at:

ATTACHMENT F

(1) Hawes Drive,

(2) Roland Drive;

On 34th Avenue, at:

(1) Floral Drive (both sides),

(2) Hawes Drive (both sides),

(3) Roland Drive;

On 35th Avenue, at:

(1) Hawes Drive,

(2) Roland Drive;

On 37th Avenue, at Floral Drive (both sides);

On Ada ~~S~~street, at:

(1) Plateau Drive,

(2) Valley Drive;

On Adelaida Court, at Jose Avenue;

On Adriene Way, at:

(1) Bain Avenue,

(2) Court Drive;

On Agate Drive, at Lapis Drive;

On Aldo Court, at Hilltop Road;

On Aldridge Lane, at Corralitos Road;

On Alice Street, at:

(1) Corcoran Avenue,

ATTACHMENT F

(2) 17th Avenue;

On Alpine Street, at 6th Avenue;

On Allston Way, at Clifford Drive;

On Alta Drive, at:

(1) La Selva Drive,

(2) Mar Monte Avenue;

On Alta Loma Lane, at Eaton Street;

On Altenitas Road, at La Cuesta Drive;

On Altivo Avenue, at Mar Monte Avenue;

On Antonelli Court, at Willa Way;

On Aptos Beach Drive, at Treasure Island Avenue;

On Anderson Drive, at College Road (both sides);

On Appleton Drive, at Martin Drive;

On Aptos School Road, at Valencia Road;

On Aptos Street, at:

(1) Bernal Street (east side),

(2) Trout Gulch Road;

On Arthur Avenue, at Palmer Avenue;

On Ashley Street, at Felton Empire Road;

On Austrian Way, at:

(1) Jennifer Drive,

(2) Vienna Drive;

ATTACHMENT F

On Avila Avenue, at:

(1) El Dorado Avenue,

(2) Harper Street;

On Bain Avenue, at Nova Drive;

On Baltusrol Drive at Saint Andrews Drive;

On Baltusrol Way, at Baltusrol Drive;

On Barbara Way, at Calabasas Road;

On Baseline Drive, at Willowbrook Lane;

On Beachgate Way, at West Seacliff Drive (both sides);

On Beach Drive, at the Esplanade;

On Beach Pines Drive, at Sandalwood Drive;

On Bear Valley Road, at Valencia Road;

On Belle Monte Avenue, at Palmer Avenue;

On Ben Lomond Toll Road, at Hillside Avenue;

On Benson Avenue, at Thurber Lane;

On Blackstone Terrace, at West Park Avenue;

On Blake Avenue, at Hames Road;

On Blair Street, at Cooper Street;

On Blossom Drive, at College Road;

On Bloom Grade, at Hilton Drive;

On Blue Ridge Drive, at Kings Creek Road;

On Bonnie Street, at:

ATTACHMENT F

- (1) 6th Avenue,
- (2) 7th Avenue,
- (3) 8th Avenue,
- (4) 9th Avenue;

On Bonny Doon Road, at Pine Flat Road;

On Bostwick Lane, at 7th Avenue;

On Bowen Avenue, at Wallace Avenue;

On Bowker Road, at Buena Vista Drive;

On Bowsprit Drive, at Dolphin Drive;

On Bradford Road, at Calabasas Road;

On Breve Avenue, at Playa Boulevard;

On Briarwood Drive, at:

- (1) Bradford Drive,
- (2) Lynwood Place (both sides),
- (3) Via Nicola (both sides);

On Bridge Street, at Main Street;

On Brodin Lane, at Blake Avenue;

On Brommer Way, at Brommer Street;

On Brook Knoll Drive, at Sims Road;

On Brookside Avenue, at Love Creek Road;

On Brookside Way, at Lakeview Drive;

On Brookwood Drive, at Paul Sweet Road;

ATTACHMENT F

On Buck Court, at Main Street;

On Bulb Avenue, at Brommer Street;

On Burr Court, at Rodriguez Street;

On Byer Court, at Byer Road;

On Byer Road, at Maciel Avenue;

On Calabasas Road, at:

(1) Buena Vista Drive,

(2) White Road;

On Caldwell Drive, at:

(1) Rodeo Gulch Road,

(2) Research Park Drive;

On Calla Drive, at:

(1) Anchorage Avenue (both sides),

(2) Palisades Avenue,

(3) 30th Avenue,

(4) 32nd Avenue;

On Calle del Rio, at Amador;

On Calypso Drive, at Dolphin Drive;

On Cambridge Drive, at:

(1) Crestwood Drive,

(2) Kingston Drive;

On Campo Way, at Sevilla Drive;

ATTACHMENT F

On Capelli Drive, at Hacienda Way;

On Carey Avenue, at:

- (1) Davis Avenue,
- (2) Roache Road;

On Carlton Road, at Thompson Road (both sides);

On Carmel Street, at:

- (1) Alta Loma Lane,
- (2) 5th Avenue,
- (3) 6th Avenue,
- (4) 7th Avenue,
- (5) 8th Avenue,
- (6) 9th Avenue;

On Carrol Avenue, at Lompico Road;

On Caseta Way, at Lockewood Lane;

On Cathedral Drive, at Trout Gulch Road;

On Cedar Street, at Mar Vista Drive;

On Celia Drive, at Onyx Drive;

On Center Street, at East Walnut Avenue;

On Central Avenue, at:

- (1) Love Creek Road,
- (2) Main Street;

On Chanticleer Avenue, at Soquel Avenue;

ATTACHMENT F

On Chanticleer Lane, at Chanticleer Avenue;

On Cheryl Way, at Vienna Drive;

On Chris Court, at Cornwell Road;

On Childers Lane, at 30th Avenue;

On Church Street, at Marine View Avenue (both connections);

On Cindy Lane, at Hilltop Road;

On Cliff Drive, at Bayview Drive;

On Clipper Cove, at Brommer Street;

On Coast Road, at:

(1) Davenport Avenue,

(2) Fair Avenue;

On Coates Drive, at:

(1) Hillcrest Drive,

(2) Seacliff Drive;

On College Road, at Lakeview Road;

On Conference Drive, at Kaiser Quarry Entrance Road (southbound);

On Cooper Street, at Felton Empire Road;

On Corcoran Avenue, southbound at Alice Street;

On Corinne Avenue, at:

(1) Kenny Avenue,

(2) Winkle Avenue;

On Cortez Drive, at:

ATTACHMENT F

(1) Valera Drive,

(2) Vista Drive;

On Cottage Drive, at College Road;

On Cox Road, at:

(1) Day Valley Road,

(2) Valencia Road;

On Crescent Drive, at:

(1) Arthur Road,

(2) Clifford Avenue (both sides);

On Crestwood Drive, at Lakewood Road;

On Cross Way, at Seaclyff Drive;

On Crown Drive, at Harvard Drive;

On Crows ~~N~~est Drive, at East Hilton Drive;

On Crystal Lane, at 7th Avenue;

On Darlene Drive, at Brommer Street;

On Daubenbiss Avenue, at West Walnut Avenue;

On Davenport Avenue, at Marine View Avenue;

On Davidson Way, at Hazel Avenue;

On Day Valley Road, at Valencia Road;

On De Anza Court, at Valera Drive;

On Deerfield Road, at Sunset Drive;

On Dick Phelps Road, at Meidl Avenue;

ATTACHMENT F

On Dolores Street, at:

- (1) Alta Loma Lane,
- (2) 7th Avenue,
- (3) 8th Avenue,
- (4) 9th Avenue;

On Doris Avenue, at Los Altos Drive;

On Double Bogey Drive, at Hilton Drive;

On Dougmar Drive, at El Dorado Avenue;

On Driftwood Court, at Dolphin Drive;

On Dustin Way, at Rodriguez Street;

On East Bel Mar Drive, at Mar Monte Avenue;

On East Street, at Santa Cruz Avenue;

On Eaton Drive, at San Lorenzo Avenue;

On Eddy Lane, at 7th Avenue;

On El Camino Del Mar, at Seacliff Drive;

On El Dorado Avenue, at Brommer Street (both sides);

On Elena Drive, at Canepa Drive;

On El Rancho Drive, at La Madrona Drive;

On El Sereno Drive, at La Cuesta Drive;

On Elva Drive, at Martin Drive;

On Encino Drive, at Halterman Avenue;

On Estates Drive, at Borregas Drive (north end);

ATTACHMENT F

~~Reserved;~~

On Evergreen Lane, at:

- (1) Deerfield Road, northbound,
- (2) Sunset Drive;

On Ewell Avenue, at Dorsey Avenue;

On Fair Avenue, at Coast Road;

On Fairmont Drive, at Irwin Way;

On Farallon Court, at Dolphin Drive (both sides);

On Farmer Street, at:

- (1) Ashley Street,
- (2) Cooper Street;

On Fiesta Way, at Buena Vista Drive;

On First Street, at West Park Avenue;

On Flat Street, at Boulder Street;

On Fletcher Court, at Trembley Lane;

On Floral Drive, at:

- (1) 35th Avenue,
- (2) 36th Avenue;

On Forest Street, at Pine Street;

On Gaffey Road, at Mt. Madonna Road;

On Garden Street, at:

- (1) 38th Avenue,

ATTACHMENT F

(2) Thompson Avenue;

On Gary Drive, at Capitola Avenue;

On Geoffroy Drive, at 16th Avenue (both approaches);

On Germaine Avenue, at Cabrillo Avenue;

On Gertrude Avenue, at Mar Vista Avenue;

On Gladys Avenue, at Nova Drive;

On Glen Arbor Road, east and west end of northerly turning lanes at Quail Hollow Road;

On Glen Haven Road, at north side of Cherryvale Avenue;

On Golf Drive, at Fairway Drive;

On Green Valley Road, at Hazel Dell Road;

On Green Valley Road (Scotts Valley), at Lockhart Gulch Road;

On Gushee Street, at:

(1) Bennett Street,

(2) Laurel Drive,

(3) Plateau Drive;

On Gyer Road, at Lockhart Gulch Road;

On Hacienda Way, at El Solvo Drive both directions;

On Hallie Lane, at Eaton Street;

On Halterman Avenue, at:

(1) Byer Drive,

(2) Mattison Lane;

On Halton Lane, at White Road;

ATTACHMENT F

On Hare Way, at:

(1) Double Bogey Drive,

(2) Lake Drive;

On Harkins Slough Road, at Buena Vista Drive;

On Harkleroad Avenue, at Rodriguez Street;

On Harper Street, at 17th Avenue;

On Harriet Avenue, at Mar Vista Drive;

On Hart Lane, at Rancho Rio Avenue;

On Hathaway Drive, at Jolon Drive;

On Hawes Drive, at:

(1) 30th Avenue,

(2) 36th Avenue;

On Hazzard Street, at Fairway Drive;

On Helen Avenue, at Thurber Lane;

On Hidden Glen Drive, at:

(1) Lockewood Lane,

(2) Spreading Oaks Drive (southeast end);

On Hidden Valley Drive, at Quail Hollow Road;

On High Street, at Clear Creek Road;

On Hihn Street, at Gushee Street;

On Hillcrest Drive, at:

(1) Mar Vista Drive,

ATTACHMENT F

(2) State Park Drive;

On Hillcrest Drive (Felton), at Redwood Drive;

On Hilltop Lane, at Hilltop Road;

On Hilton Drive, at Double Bogey Drive;

On Howe Street, at Dover Drive;

On Humes Avenue, at:

(1) Lock Drive,

(2) Los Altos Drive;

On Huntington Drive, at Valencia Road;

On Hutchinson Road, at Riva Ridge Road;

On Ice Cream Grade, at Pine Flat Road;

On Ivy Lane, at Chanticleer Avenue;

On Irwin Way, at Fairview Avenue (northbound);

On Jackson Way, at:

(1) Prospect Drive,

(2) San Lorenzo Avenue;

On Jarvis Road, at Vine Hill Road;

On Jehl Avenue, at Sidney Avenue;

On Jennifer Drive, at:

(1) Danube Drive,

(2) Vienna Drive (both sides);

On Jolon Drive, at Mesa Verde Drive;

ATTACHMENT F

On Jose Avenue, at Rodriguez Street;

On Junction Avenue, at Lomond Street;

On Kelp Lane, at:

(1) El Camino Del Mar,

(2) Seacliff Drive;

On Kenny Avenue, at:

(1) Thurber Lane,

(2) Winkle Avenue;

On Kenyon Avenue, at Clifford Avenue;

On Kessler Drive, at Marion Avenue;

On Kings Creek Road, at Pool Drive (northbound);

On Kingston Drive, at Lakeview Drive;

On Kinsley Street, at 17th Avenue;

On Kirby Street, at Gushee Street;

On Koopmans Avenue, at:

(1) Rodriguez Street,

(2) Webster Street (both sides);

On Lagunitas Court, at Dolphin Drive;

On Lagunita Drive, at Glen Haven Road;

On La Honda Court, at La Honda Drive;

On Lake Boulevard at:

(1) Lompico Road,

ATTACHMENT F

(2) Carrol Avenue (northbound);

On Lake Court, at Venetian Road;

On Laken Drive, at Holohan Road;

On Landis Avenue, at Carey Avenue;

On Lapis Drive, at Paulsen Road;

On La Selva Drive, at Mar Monte Avenue;

On Laurel Avenue, at:

(1) Bain Avenue (on both sides),

(2) Gladys Avenue;

On Laverne Avenue, at Mar Vista Avenue;

On Lee Road, at Harkins Slough Road;

On Lillian Way, at Sequoia Drive;

On Lisa Lane, at Brommer Street;

On Live Oak Avenue, at:

(1) Brommer Street (Live Oak),

(2) Brookside Avenue (Ben Lomond);

On Lode Street, at 26th Avenue;

On Loma Prieta Drive, at Vista Del Mar Drive;

On Lomond Street, at Forest Street;

On Lone Pine Avenue, at Buena Vista Drive;

On Loyola Drive, at:

(1) Doris Avenue,

ATTACHMENT F

(2) Los Altos Drive;

On Lucerne Avenue, at Manfre Road;

On Lynwood Place at Calabasas Road;

On Maciel Avenue, at Mattison Lane;

On Madeline Drive, at Mar Vista Drive;

On Manfre Road, at:

(1) Buena Vista Drive,

(2) Larkin Valley Road;

On Manresa Court, at Dolphin Drive;

On Manresa Drive, at Dolphin Drive;

On Mansfield Street, at 17th Avenue;

On Maple Street, at Oakdale Drive;

On Margaret Avenue, at McGregor Drive;

On Mar Monte Avenue, at Larkin Valley Road;

On Mar Sereno Drive, at Haas Drive;

On Mariana Court, at Jose Avenue;

On Marine View Avenue, at Coast Road;

On Mark Avenue, at:

(1) Arroyo Drive,

(2) Hathaway Avenue (both sides),

(3) Mesa Verde Drive;

On Martin Road, at:

ATTACHMENT F

(1) Ice Cream Grade,

(2) Pine Flat Road;

On Marilyn Street, at Arthur Road;

On Mattison Lane, at Chanticleer Avenue;

On McDonald Road, at Day Valley Road;

On McEnery Road, at West Zayante Road;

On McGregor Drive, at Searidge Road;

On Meadow Road, at Day Valley Road;

On Meidle Avenue, at:

(1) Behler Avenue,

(2) Minto Road;

On Memorial Avenue, at Buena Vista Drive;

On Memory Lane, at China Grade;

On Meredith Way, at:

(1) Lakeview Drive,

(2) Parker Drive;

On Merk Road, at Corralitos Road;

On Merlin Way, at Cornwell Road;

On Merrill Street, at 14th Avenue;

On Mesa Drive, at Vienna Drive;

On Middlefield Drive, at:

(1) Mar Vista Drive,

ATTACHMENT F

(2) Oakdale Drive (both sides);

On Mill Road, at Glen Canyon Road;

On Miraflores Road, at La Cuesta Drive;

On Mission Drive, at Commercial Way;

On Montclair Drive, at Treetop Drive;

On Monterey Drive, at:

(1) Alta Drive (both sides),

(2) Bonita Drive;

On Monument Avenue, at Buena Vista Drive;

On Moon Valley Ranch Road, at Larkin Valley Road;

On Mt. Bache Road, at Highland Way;

On Mt. Madonna Road, at Hazel Dell Road;

On Muriel Drive, at Chanticleer Avenue;

On Nancy Court, at Briarwood Drive;

On Nelson Road, at Lockhart Gulch Road;

On Nicker Court, at Cornwell Road;

On Niguel, at:

(1) Calle del Rio,

(2) Osa Mesa;

On North Drive, at:

(1) Bowker Road,

(2) Buena Vista Drive;

ATTACHMENT F

On North Pointe Court, at Corte Cabrillo;

On North Rodeo Gulch Road, at Mountain View Road;

On Oakdale Drive, at:

(1) Cedar Street,

(2) Poplar Street,

(3) Seacliff Drive;

On Oak Knoll Drive, at Treetop Drive;

On Oak Street, at Lomond Street (both sides);

On Ocean Street, at Marine View Avenue;

On Odyssey Court, at Brommer Street;

On Old County Road, at Hillside Drive;

On Old Dominion Court, at State Park Drive;

On O'Neill Court, at O'Neill Lane;

On Onyx Drive, at Lapis Drive;

On Orchard Drive, at Sims Road;

On Pajaro Lane, at Airport Boulevard;

On Palmer Avenue, at Arthur Avenue;

On Papermill Road, at O'Neill Lane (northbound);

On Paradiso Court, at Hilltop Road;

On Park Drive, at:

(1) Hillcrest Drive,

(2) Seacliff Drive;

ATTACHMENT F

On Park Street, at West Park Avenue;

On Parker Drive, at College Road;

On Parkwood Drive, at:

(1) College Road,

(2) Lakeview Road;

On Patterson Lane, at Mission Drive;

On Paul Minnie Avenue, at Soquel Avenue;

On Pebble Beach Drive, at Pinehurst Drive (two locations);

On Penasquitas Drive, at Dolphin Drive;

On Pesce Way, at Harper Street;

On Pestana Avenue, at Germaine Avenue;

On Pine Avenue, at Conference Drive;

On Pine Forest Drive, at Meadow Road;

On Pine Street (Boulder Creek) at:

(1) Forest Street (southbound),

(2) Lomond Street;

On Pine Street (Seacliff Area), at Mar Vista Drive;

On Pinehurst Drive, at Dolphin Drive;

On Placer Street, at 26th Avenue;

On Plateau Drive, at:

(1) Laurel Drive,

(2) Valley Drive;

ATTACHMENT F

On Pleasure Point Drive, at Rockview Drive;

On Plum Hill Drive, at Parker Drive;

On Ponderosa Avenue, at:

(1) Jolon Drive,

(2) Mark Avenue, both directions;

On Pool Drive, at Kings Creek Road;

On Poplar Street, at Cedar Street;

On Poppy Lane, at Heather Terrace;

On Prescott Road, at Glen Haven Road;

On Prospect Avenue, at 12th Avenue;

On Quail Run Road, at Trout Gulch Road;

On Quinta, at Amador (both sides);

On Railroad Avenue, at:

(1) Lomond Street,

(2) Middleton Avenue;

On Ramport Road, at Buena Vista Drive;

On Ranchero Drive, at Valera Drive;

On Rancho Rio Avenue, at Newell Creek Road;

On Rancho Road, at Buena Vista Drive;

On Redwood Drive, at Glen Canyon Road;

On Redwood Lodge Road, at Laurel Road;

On Redwood Road, at Brown Valley Road;

ATTACHMENT F

On Renwick Way, at 30th Avenue;

On Research Park Drive, at Rodeo Gulch Road;

On Ridge Road, at West Park Drive;

On Ridge Way, at Larkin Valley Road;

On Risso Court, at Alice Street;

On Riva Ridge Road, at:

(1) Hutchinson Road,

(2) Mt. Charlie Road;

On Roaring Camp Road, at Conference Drive;

On Roberta Drive, at:

(1) Arroyo Drive,

(2) Mark Avenue;

On (South) Rodeo Gulch Road, at:

(1) Gross Road,

(2) Soquel Avenue;

On Rodeo Gulch Road, at Mountain View Road;

On Rodriguez Street, at Capitola Road Extension;

On Roland Drive, at 30th Avenue;

On Rountree Lane, at Harkins Slough Road;

On Royal Oak Court, at Hidden Glen Drive;

On Russell Avenue, at:

(1) Gushee Street,

ATTACHMENT F

(2) Valley Drive;

On Saint Andrews Drive, at Saint Andrews Drive;

On Samuel Place, at 30th Avenue;

On San Benito Avenue, at Seacliff Drive (at both ends);

On Sandalwood Drive, at:

(1) Beach Pines Drive,

(2) Meadowlark Lane;

On Sand Dollar Drive, at Shoreline;

On Santa Clara Avenue, at:

(1) El Camino Del Mar (on both sides),

(2) Seacliff Drive;

On Santa Clara Street, at Arthur Road;

On Santa Cruz Avenue, at:

(1) Broadway (on both sides),

(2) El Camino Del Mar (on both sides),

(3) Seacliff Drive,

(4) State Park Drive;

On Santa Marguerita Drive, at Alta Drive;

On San Vincenti Avenue, at Coast Road;

On School Way, at Wheelock Road;

On Schulties Road, at Old Santa Cruz Highway;

On Scriver Street, at Palisades Avenue;

ATTACHMENT F

On Searidge Court, at Searidge Road;

On Searidge Road, at:

(1) Mar Vista Drive,

(2) State Park Drive;

On Sea Terrace Way, at Seacliff Drive (south end);

On Sequoia Drive, at:

(1) Thurber Lane,

(2) Winkle Avenue;

On Serrell Avenue, at:

(1) Cabrillo Avenue,

(2) Pestana Avenue (both sides);

On Sevilla Drive, at Main Street;

On Sierra Vista Drive, at Siesta Drive;

On Siesta Drive, at:

(1) Sierra Vista Drive (both directions),

(2) Valencia Road;

On Silvana Lane, at:

(1) Chanticleer Avenue,

(2) 17th Avenue;

On Skyland Road, at Highland Way;

On Skyview Terrace, at Evergreen Lane;

On Smith Grade, at Bonny Doon Road;

ATTACHMENT F

On Sombra, at Amador;

On Soquel Avenue, at Gross Road;

On South Drive, at:

(1) Bowker Road,

(2) Buena Vista Drive;

On Spreading Oaks Drive, at Hidden Glen Drive;

On Stanley Avenue, at Howe Street;

On Stephen Road, at Moosehead Drive;

On Sunnyside Avenue, at Love Creek Road;

On Sunset Drive, at Del Monte Way;

On Tamalpais Court, at Dolphin Drive;

On Tanbark Court, at Rodriguez Street;

On Tanner Court, at Seventh Avenue;

On Thayer Road, at Bonny Doon Road;

On Thomas Drive, at:

(1) Chanticleer Avenue,

(2) Reinelt Avenue;

On Thompson Avenue, at Brommer Street;

On Trabing Road, at Buena Vista Drive (both sides);

On Treetop Drive, westbound at Oak Knoll Drive;

On Tremont Drive, at 17th Avenue;

On Trinity Avenue, at:

ATTACHMENT F

(1) Jolon Drive,

(2) Mark Avenue;

On Trout Gulch Road, at Valencia Road;

On Tulip Lane, at:

(1) Heather Terrace,

(2) Poppy Lane;

On Twin Hills Drive, at:

(1) Lillian Way,

(2) Thurber Lane;

On Valdez Avenue, at Buena Vista Drive;

On Valencia Avenue, at:

(1) East Street,

(2) El Camino Del Mar (on both sides),

(3) Seacliff Drive;

On Valencia School Road, at:

(1) Trout Gulch Road,

(2) Valencia Road;

On Valencia Street, at Trout Gulch Road;

On Valera Drive, at Hilltop Drive;

On Valley Drive, at:

(1) Laurel Drive,

(2) Redwood Drive;

ATTACHMENT F

On Varni Road, at Corralitos Road;

On Venice Drive, at Chanticleer Drive;

On Via Latana, at Dolphin Drive;

On Via Medici, at Calypso Drive;

On Via Nicola, at Calabastas Road;

On Via Novella, at Dolphin Drive;

On Via Palo Alto, at Clubhouse Drive;

On Via Trinita, at Dolphin Drive;

On Via Tomasol, at Clubhouse Drive;

On Vienna Drive, at:

(1) Mesa Drive,

(2) Wilshire Drive;

On View Court, at Huntington Drive;

On Vista Drive, at:

(1) Estrella Avenue (both sides),

(2) Hilltop Avenue;

On Vista Del Mar Drive, at:

(1) Alta Drive,

(2) Cuesta Drive (both sides);

On Wallace Avenue, at Huntington Drive;

On (West) Walnut Street, at:

(1) Daubenbiss Avenue,

ATTACHMENT F

(2) Robertson Street;

On Warren Avenue, at 26th Avenue;

On Waugh Avenue, at Thurber Lane;

On West Bel Mar, at Mar Monte Avenue;

On West Drive, at Lompico Road;

On West Vine Hill Road, at Vine Hill Road;

On White Road, at Larkin Valley Road;

On Wilder Drive, at Capitola Avenue;

On Willa Way, at Byer Road (both sides);

On Willowbrook Lane, at Cabrillo College Drive;

On Wilshire Drive, at Danube Drive;

On Woolpert Way, at Halterman Avenue;

On Xanthos Drive, at Larkin Valley Road;

On Yucca Drive, at 36th Avenue;

On (East) Zayante Road, at north side of Lompico Road;

On (West) Zayante Road, at Quail Hollow Road. [Ord. 5268 § 1, 2018; Ord. 5060 § 1, 2009; Ord. 5033 §§ 1, 2, 2009; Ord. 4919 § 1, 2008; Ord. 4851 § 1, 2007; Ord. 4847 § 1, 2006; Ord. 4840 § 1, 2006; Ord. 4812 § 1, 2006; Ord. 4807 §§ 1, 2, 2005; Ord. 4763 § 1, 2004; Ord. 4759 § 2, 2004; Ord. 4725 §§ 1, 2, 2003; Ord. 4722 § 1, 2003; Ord. 4706 § 2, 2003; Ord. 4690 § 2, 2002; Ord. 4689 §§ 1—3, 2002; Ord. 4686 §§ 1—4, 2002; Ord. 4677 §§ 1, 2, 2002; Ord. 4658 § 1, 2002; Ord. 4653 §§ 1—3, 2002; Ord. 4643 § 1, 2001; Ord. 4620 §§ 1—4, 2001; Ord. 4618 § 1, 2001; Ord. 4591 § 1, 2000; Ord. 4585 §§ 1, 2, 3, 2000; Ord. 4584 § 1, 2000; Ord. 4579 §§ 1, 2, 2000; Ord. 4552 § 2, 1999; Ord. 4543 §§ 1—4, 1999; Ord. 4542 §§ 1, 2, 1999; Ord. 4536 § 1, 1999; Ord. 4520 § 1, 1998; Ord. 4482 § 1, 1997; Ord. 4480 § 3, 1997; Ord. 4479 §§ 1, 4, 5, 1997; Ord. 4443 §§ 2, 3, 1996; Ord. 4436 § 1, 1996].

9.28.030 Multi-way stop intersections.

ATTACHMENT F

The following intersections are designated as multi-way stop intersections, and all vehicles shall stop at entrances ~~to these of such~~ intersections:

7th Avenue~~7~~ and:

- (1) Brommer Street,
- (2) Rodriguez Street;

17th Avenue and Merrill Street;

17th Avenue and Rodriguez Street;

26th Avenue and Fresno Street/24th Avenue;

30th Avenue and Scriver Street;

36th Avenue and Floral Drive;

38th Avenue and Floral Drive;

Amesti Road and:

~~(4)~~ Pioneer Road/Varni Road;

Arroyo Drive and Mark Avenue;

Brommer Street and:

- (1) Chanticleer Avenue,
- (2) 30th Avenue;

Buena Vista Drive and Larkin Valley Road;

Cabrillo Avenue and Winkle Avenue;

Calabasas Road and Bowker Road;

Casserly Road~~7~~ and:

- (1) Hughes Road,

ATTACHMENT F

(2) Whiting Road;

Cathedral Drive and Vista Mar Court/Burns Avenue;

Center Avenue and Santa Clara Avenue (three-way);

Chanticleer Avenue~~7~~ and:

(1) Chanticleer Lane (three-way),

(2) Harper Street,

(3) Kinsley Street,

(4) Rodriguez Street (three-way);

Cliff Drive~~7~~ and Martin Drive/Sea View Drive;

Clubhouse Drive~~7~~ and:

(1) Alta Drive (three-way),

(2) Rio Del Mar Boulevard/Bonita Drive,

(3) Pinehurst Drive (three-way),

(4) St. Andrews Drive (three-way),

(5) Sumner Avenue (four-way);

College Road and Cutter Drive (three-way);

Commercial Way~~7~~ and Commercial Crossing (three-way);

Corralitos Road/Eureka Canyon Road~~7~~ and Browns Valley Road/Hames Road;

East Cliff Drive~~7~~ and:

(1) 18th Avenue,

(2) 5th Avenue,

(3) 7th Avenue,

ATTACHMENT F

(4) 32nd Avenue/Pleasure Point Drive,

(5) 26th Avenue;

East Zayante Road₇ and Valley View Avenue;

El Dorado Avenue₇ and Harper Street/Harper Court;

El Rancho Drive₇ and Carbonera Drive;

Felt Street₇ and:

(1) Corcoran Avenue,

(2) Paget Avenue;

41st Avenue₇ and:

(1) Opal Cliffs Drive (three-way),

(2) Portola Drive;

Freedom Boulevard₇ and Highway 1 southbound ramps;

Freedom Boulevard₇ and Corralitos Road;

Glen Arbor Road₇ and Hihn Road (three-way);

Gross Road₇ and Soquel Avenue/40th Avenue;

Gross Road₇ and (South) Rodeo Gulch Road (three-way);

Harkins Slough Road at Pajaro Valley High School entrance;

Hathaway Avenue and Mark Avenue;

Highland Way₇ and:

(1) Mt. Bache Road,

(2) Spanish Ranch Road;

Hilltop Road and Cornwell Road/Valera Drive;

ATTACHMENT F

Jolon Drive and Hathaway Avenue;

Jose Avenue and Webster Street (three-way);

La Madrona Drive and Sims Road;

Lomond Street and Laurel Street;

Main Street (Soquel) and East Walnut Street (three-way);

Main Street (Ben Lomond)⁷ and:

(1) Mill Street (three-way),

(2) Sunnyside Avenue (three-way);

Mar Monte Avenue and La Selva Drive/Robak Drive;

Mattison Lane and Greystone Court (three-way);

McGregor Drive and Mar Vista Drive;

Mesa Verde Drive at Mark Avenue (three-way);

North Plymouth Street and entrance drive to Emeline Street Complex;

Opal Cliffs Drive and Court Drive (three-way);

Pinehurst Drive⁷ and:

(1) Greenbriar Drive (three-way),

(2) Pinehurst Way (three-way);

Playa Boulevard⁷ and Estrella Avenue;

Portola Drive⁷ and:

(1) 38th Avenue,

(2) 30th Avenue (westerly intersection, three-way);

Quail Hollow Road⁷ and:

ATTACHMENT F

(1) Larita Drive,

(2) Marion Avenue (three-way);

Rio Del Mar Boulevard~~7~~ and:

(1) Palmer Avenue and Spanish Bay Drive,

(2) Sumner Avenue (three-way);

San Andreas Road~~7~~ and:

(1) Mar Monte Avenue/Playa Boulevard,

(2) Seascap~~e~~ Boulevard (three-way);

Seacliff Drive and Sea Terrace Way (three-way);

Seascap~~e~~ Boulevard~~7~~ and:

(1) Dolphin Drive,

(2) Sumner Avenue;

Siesta Drive and Sierra Vista Drive;

Soquel Drive~~7~~ and:

(1) Dover Drive (three-way),

(2) Robertson Street (three-way),

(3) Trout Gulch Road (three-way),

(4) Winkle Avenue (three-way);

Spreck~~e~~les Drive~~7~~ and:

(1) Seacliff Drive (three-way),

(2) Treasure Island Avenue;

State Park Drive~~7~~ and:

ATTACHMENT F

(1) Center Avenue/Seacliff Drive;

Sumner Avenue, and:

(1) Dolphin Drive (three-way),

(2) Los Altos Drive (three-way);

Thurber Lane and Winkle Avenue;

Via Medici and Calypso Drive;

Winkle Avenue and Howe Street. [Ord. 5268 § 2, 2018; Ord. 5132 § 1, 2012; Ord. 5068 § 1, 2010; Ord. 5060 § 2, 2009; Ord. 4831 § 1, 2006; Ord. 4807 § 3, 2005; Ord. 4792 § 1, 2005; Ord. 4763 § 2, 2004; Ord. 4759 § 1, 2004; Ord. 4720 § 1, 2003; Ord. 4706 § 1, 2003; Ord. 4690 § 1, 2002; Ord. 4689 § 4, 2002; Ord. 4688 § 1, 2002; Ord. 4603 § 1, 2000; Ord. 4602 §§ 1—4, 2000; Ord. 4568 § 1, 1999; Ord. 4542 § 3, 1999; Ord. 4536 § 2, 1999; Ord. 4532 §§ 1, 2, 1999; Ord. 4520 §§ 2, 3, 1998; Ord. 4480 §§ 1, 2, 1997; Ord. 4479 §§ 2, 3, 1997; Ord. 4454 §§ 1, 2, 1997; Ord. 4445 § 1, 1996; Ord. 4443 § 4, 1996; Ord. 4436 § 1, 1996].

ATTACHMENT G

Chapter 9.32 YIELD RIGHT-OF-WAY INTERSECTIONS

Sections:

9.32.010 Intersections designated.

9.32.010 Intersections designated.

The following intersections are designated yield right-of-way intersections. Yield signs shall be posted on the approaches on either side of the roads listed in this section at the indicated intersecting roads, and traffic on said approaches shall yield the right-of-way:

On Buena Vista Drive, at Freedom Boulevard;

On Casserly Road, at State Route 152;

On College Road, at Lakeview Drive;

On Commercial Way, at Soquel Drive;

On East Cliff Drive, at:

(1) East Cliff Drive,

(2) 7th Avenue;

On Glen Canyon Road, at Branciforte Drive;

On Graham Hill Road, at Mount Hermon Road;

On Ledyard Way, at Mesa Drive;

On Los Altos Drive, at Gay Road;

On Mar Monte Avenue, at Larkin Valley Road;

On Mount Hermon Road, at:

(1) Graham Hill Road,

(2) Lockhart Gulch;

On Poplar Street, at Maple Street;

ATTACHMENT G

On Portola Drive, at:

(1) 41st Avenue,

(2) 17th Avenue;

On Quail Hollow Road, at Glen Arbor Road;

On Redwood Drive, at San Lorenzo Avenue;

On Rio del Mar Boulevard, at Rio del Mar Boulevard;

On San Andreas Road, at Seascapes Boulevard;

On Seascapes Boulevard, at San Andreas Road;

On Soquel Avenue, at Soquel Drive;

On Soquel Drive, at:

(1) Park Avenue,

(2) Porter Street,

(3) State Park Drive;

On State Park Drive, at Soquel Drive. [Ord. 4520 § 7, 1998; Ord. 4436 § 1, 1996].

ATTACHMENT H

Chapter 9.36
PARKING

Sections:

- 9.36.010 Markings and signs indicating restricted parking.**
- 9.36.020 No-parking zones designated.**
- 9.36.030 Signs authorized.**
- 9.36.040 Towaway zones.**
- 9.36.050 Restricted parking areas.**
- 9.36.060 Bicycle lanes—Parking prohibited.**
- 9.36.065 Parks and recreational areas—Parking restrictions.**
- 9.36.070 County parking lots—Parking restrictions.**
- 9.36.080 Overnight parking prohibited.**
- 9.36.085 Parks and recreational area parking lots—Administration and enforcement.**
- 9.36.090 County parking lots—Administration and enforcement.**
- 9.36.100 Violation.**

9.36.010 Markings and signs indicating restricted parking.

When authorized curb markings and/or signs, as indicated herein, have been determined by the Director of the Department of Public Works to be necessary and are in place ~~giving notice thereof~~, no operator of any motor vehicle shall stop, stand or park such vehicle in violation of the following restrictions:

- (A) Red curb markings indicate no stopping, standing or parking, except that a bus may stop in a red zone marked or sign-posted as a bus loading zone. This restriction shall be effective at all times unless signs indicating specific time periods are also posted in conjunction there~~with~~to.
- (B) Green curb markings indicate a maximum time limit for parking of 20 minutes' duration, unless signs indicating a different time limit are also posted in conjunction there~~with~~to.
- (C) Yellow curb markings indicate a commercial loading zone for the sole purpose of loading or unloading passengers or freight for a maximum time of 30 minutes, unless signs indicating a different time limit are also posted in conjunction there~~with~~to.
- (D) White curb markings indicate a passenger loading zone for the sole purpose of loading or unloading passengers for only the time necessary for completion of same in an expeditious manner, not to exceed five minutes, or for the purpose of depositing mail in an adjacent United States mailbox.

ATTACHMENT H

(E) Blue curb markings indicate parking limited exclusively for the use of physically handicapped persons whose vehicles display either of the distinguishing license plates or placards issued to disabled persons pursuant to Section [22511.5](#) of the California Vehicle Code, or to disabled veterans, as specified in Section [9105](#) of the California Vehicle Code.

(F) Signs indicate by legend the specific restriction that applies. Signs shall be in conformance with the uniform standards and specifications promulgated by the State.

(G) Shoulder Striping. No person shall stop, park or leave standing any vehicle, whether attended or unattended, in an area upon or between a painted white shoulder strip and the center of a paved roadway. [Ord. 2265, 1976; Ord. 2182, 1975; Ord. 1853, 1973; Ord. 1355, 1968; prior code § 10.60.010].

9.36.020 No-parking zones designated.

No person shall stop, park or leave standing any motor vehicle, whether attended or unattended, except when necessary to avoid conflict with other traffic or in cases of emergency, or in compliance with the directions of a peace officer or traffic-control device, in any of the following designated areas:

- (1) Arbolado Drive, on both sides of the street from Breve Avenue to Estrella Avenue, a distance of 0.09 mile;
- (2) Aptos School Road, on the north side from Valencia Road to the end of Aptos School Road;
- (3) Beach Drive, at the following locations:
 - (a) On the north side, from a point 70 feet northwesterly from the end of the County road,
 - (b) On the north side, from the Esplanade 280 feet southeasterly,
 - (c) On the south side, from a point 1,000 feet southeasterly of the Esplanade,
 - (d) On the south side, 240 feet southeasterly from the Esplanade;
- (4) Beach Road, at its southerly end within the cul-de-sac and Fire Access Road;
- (5) Bennett Road, from Moosehead Drive to Venetian Road;
- (6) Bonny Doon Road, from Highway 1 to a point 500 feet northerly thereof;
- (7) Breve Avenue, on both sides of the street, from Playa Boulevard to Arbolado Drive, a distance of 0.06 mile;

ATTACHMENT H

(8) Calabasas Road, for a distance of 30 feet on either side of the school crosswalk on the north side of Calabasas Road in front of the Calabasas Elementary School;

(9) East Cliff Drive.

(a) From Prospect Street to 9th Avenue on the northwesterly side adjacent to Schwan Lake,

(b) On both sides, from Larch Lane (private road) easterly and north on 41st Avenue to the south side of the public parking lot entrance;

(10) Emme Street.

(a) From Freedom Boulevard 120 feet southwesterly on the northwesterly side,

(b) From Freedom Boulevard 70 feet southwesterly on the southeasterly side;

(11) Empire Grade Road, on both sides of the roadway, from a point 500 feet south of Heller Drive to a point 500 feet north of Heller Drive;

(12) Freedom Boulevard, on the southeasterly side, from Green Valley Road easterly 110 feet;

(13) From 2462 Glen Canyon Road to 2562 Glen Canyon Road, on the easterly side;

(14) Green Valley Road, on the northeasterly side from Freedom Boulevard northerly 160 feet;

(15) Hainline Road, from Moosehead Drive to Venetian Road, north side only;

(15.5) Hillview Way, both sides of the street for 100 feet from Oceanview between 10:00 p.m. and 6:00 a.m.;

(16) Mattison Lane, on both sides of the street, from Soquel Drive southerly;

(17) Mill Street, from Main Street to State Highway Route 9, north side only;

(17.5) Oceanview Drive.

(a) Between 10:00 p.m. and 6:00 a.m. for its entirety except as outlined in subsection (17.5)(b) of this section,

ATTACHMENT H

- (b) At all times on the west side of the street for a distance starting approximately 240 feet from San Andreas Road to a point ending approximately 384 feet from San Andreas Road, and on all sides of the island at the intersection of Oceanview and San Andreas Road;
- (18) Porter Street.
- (a) Within 15 feet along the eastern curb of Porter Street southerly of the southern edge of the crosswalk across Porter Street, at the northern edge of the intersection of Porter Street and Walnut Street in Soquel, as may be indicated by red paint on the curb,
- (b) Within 16 feet along the easterly curb of Porter Street northerly of the northern edge and 32 feet along the eastern curb of Porter Street southerly of the southern edge of the driveway of the Soquel Elementary School, lying between the school building and the tennis court, as may be indicated by red paint on the curb;
- (19) Rio Del Mar Boulevard, on the north and south sides of the street from the Esplanade easterly 200 feet;
- (20) Seacliff Drive, from Center Avenue south 90 feet, westerly side only;
- (21) Shell Drive, on the east side, from Beach Road to Sunset Beach State Park boundary;
- (22) Soquel Avenue, from Paul Sweet Road overpass easterly to Paul Minnie Avenue on the north side only;
- (23) Soquel Drive.
- (a) Along the southerly side of Soquel Drive, within 20 feet of the alley adjacent to the United States Post Office, located at 2740 Soquel Drive, except for the purposes of depositing mail into the “courtesy mailbox” or in compliance with the directions of a peace officer,
- (b) Either within 15 feet of the driveway entrances to the Aptos Fire Station, or within an equal parallel distance on the side of the street opposite the Aptos Fire Station;
- (c) On the south side of Soquel Drive in front of 2500 Soquel Drive (Villa San Carlos Complex) for a distance of 100 feet between the hours of 6:00 a.m. and 5:00 p.m. for the purpose of creating a bus stop.

ATTACHMENT H

(24) Soquel-San Jose Road, on both sides of the roadway, from a point 500 feet south of the southerly boundary of the Seventh Day Adventist Conference Grounds to a point 500 feet north of the northerly boundary of said grounds;

(25) On the east side of Sunny Cove Drive, from East Cliff Drive south to the end;

(26) 21st Avenue, south of East Cliff Drive; no parking on the west side from the intersection south to the end of the street. [Ord. 4184 § 1, 1992; Ord. 3956 § 1, 1988; prior code § 10.60.020].

9.36.030 Signs authorized.

The Commissioners of the Aptos Fire Protection District are authorized to erect, place and maintain such curb and pavement markings and signs as may be necessary to indicate the parking area permitted or prohibited by SCCC [9.36.020](#)(23)(b). [Ord. 1532, 1970; Ord. 567, 1958; prior code § 10.60.021].

9.36.040 Towaway zones.

Vehicles parked in violation of the following subsections of SCCC [9.36.020](#) may be towed away by or at the direction of any ~~member of the~~ California Highway Patrol ~~officer or any Sheriff's deputy, or any regularly employed and salaried deputy of the Sheriff of the County~~ to any garage or other storage facility authorized by the Board. Towing and storage of such vehicle shall be at the cost of the driver or owner of the vehicle, and shall be payable before release of the car to such person. Signs shall be posted giving notice ~~thatt~~e cars illegally parked will be towed away.

(A) SCCC [9.36.020](#)(4), Beach Road;

(B) SCCC [9.36.020](#)(6), Bonny Doon Road;

(C) SCCC [9.36.020](#)(15.5), Hillview Way;

(D) SCCC [9.36.020](#)(17.5), Oceanview Drive;

(E) SCCC [9.36.020](#)(23)(c), Soquel Drive. [Ord. 4184 § 2, 1992; Ord. 3956 § 2, 1988; Ord. 2597, 1978; Ord. 2039, 1974; prior code § 10.60.025].

9.36.050 Restricted parking areas.

(A) Aptos Beach Drive. A maximum 20-minute parking zone is established on the westerly side of Aptos Beach Drive, from 20 feet north of the Esplanade to Marina Avenue, effective between the hours of 8:00 a.m. and 6:00 p.m.

ATTACHMENT H

(B) Porter Street. For a distance of 43 feet along the eastern curb of Porter Street northerly from the northern edge of the crosswalk across Porter Street at the northern edge of the intersection of Porter Street and Walnut Street in Soquel, as may be indicated by white paint on the curb, stopping only for loading or unloading of passengers for a period of time not to exceed five minutes per vehicle shall be permitted.

(C) North Coast Beach Parking Areas. No parking shall be allowed between the hours of 10:00 p.m. and 6:00 a.m. on any day within North Coast Beach parking areas for which signs indicate this specific parking restriction applies.

(D) Bonny Doon Ecological Reserve Area. No parking shall be allowed at any time within that area adjacent to the Bonny Doon Ecological Reserve Area for which signs indicate this specific parking restriction applies. [Ord. 4600 § 1, 2000; Ord. 4555 § 1, 1999; Ord. 1532, 1970; Ord. 1262, 1967; Ord. 849, 1962; prior code § 10.60.030].

9.36.060 Bicycle lanes—Parking prohibited.

When authorized curb markings or signs are in place giving notice of no parking, no operator of any motor vehicle shall stop, stand or park such vehicle upon the area of any street between the curb and any line delineating the boundary of a bicycle lane established by resolution of the Board as a no-parking zone. [Ord. 2212, 1975; prior code § 10.60.033].

9.36.065 Parks and recreational areas—Parking restrictions.

(A) Pursuant to the authority granted by Vehicle Code Section [22519](#), it is unlawful for any person to park any vehicle within any County park parking area, in violation of the regulations listed below, and implemented by the Director of [the Department of](#) Parks, Open Space and Cultural Services.

(1) Parking in spaces marked or identified by red curb markings shall be limited as follows: No stopping, standing or parking, except that a bus may stop in a red zone marked or signposted as a bus loading zone. This restriction shall be effective at all times, unless signs indicating specific time periods are also posted in conjunction thereto.

(2) Parking in spaces marked or identified by green curb markings shall be limited as follows: Parking shall be limited to a maximum time limit of 20 minutes' duration unless signs indicating a different time limit are also posted in conjunction thereto.

(3) Parking in spaces marked or identified by yellow curb markings shall be limited as follows: Parking shall be limited to commercial loading for the sole purpose of loading or unloading

ATTACHMENT H

passengers or freight for a maximum time of 30 minutes, unless signs indicating a different time limit are also posted in conjunction thereto.

(4) Parking in spaces marked or identified by white curb markings shall be limited as follows: Parking shall be limited to passenger loading for the sole purpose of loading or unloading passengers for only the time necessary for completion of same in an expeditious manner, not to exceed five minutes, or for the purpose of depositing mail in an adjacent United States mailbox.

(5) Parking in spaces marked or identified by blue curb markings shall be limited as follows: Parking shall be limited exclusively for use by physically handicapped persons whose vehicles display either of the distinguishing license plates or placards issued to disabled persons pursuant to Section [22511.5](#) of the California Vehicle Code, or to disabled veterans, as specified in Section [9105](#) of the California Vehicle Code.

(6) No vehicle shall be left standing in any part of a parking lot that is not marked as a parking space.

(7) Parking in spaces marked or identified as “permit parking” shall be restricted to vehicles of members of the public to whom a parking permit has been issued and to appropriate County employees as determined by the Director of the Department of Parks, Open Space and Cultural Services.

(8) No vehicle shall occupy more than one marked parking space.

(9) Parking in spaces marked or identified as “one hour,” “two hours,” “three hours,” or “four hours” shall be restricted to vehicles of members of the public and shall be limited to the time specified.

(10) No vehicle shall park in spaces marked as a crosswalk.

(11) No vehicle shall park in front of a public driveway except that a bus may stop to load or unload passengers as authorized by local ordinance.

(12) No vehicle shall park in any designated fire lane identified by sign and red curb markings or marked with the words “Fire Lane” in red paint.

(B) Pursuant to the authority granted by Vehicle Code Section [22519](#), it is unlawful for any person to park any vehicle within any area of a County park which is not a designated parking area. [Ord. 4120 § 1, 1991; Ord. 4018 § 1, 1989].

ATTACHMENT H

9.36.070 County parking lots—Parking restrictions.

(A) ~~Except as provided in SCCC 9.36.065,~~ Pursuant to the authority granted by Vehicle Code Section [22519](#), it is unlawful for any person to park any vehicle within any off-street parking areas owned or operated by or leased to the County for any County operation (other than County parks, [addressed via SCCC 9.36.065](#)), in violation of the regulations listed below, and as implemented by the Director of the Department of General Services.

- (1) Parking in spaces marked or identified as “public parking” shall be restricted to vehicles of members of the public having business in County buildings, but shall be limited to the time necessary to conduct such business.
- (2) Parking in spaces marked or identified as “one-hour” or “two-hour” shall be restricted to vehicles of members of the public having business in County buildings, but shall be limited to the time specified.
- (3) Parking in spaces marked or identified as “permit parking” shall be restricted to vehicles of members of the press and of County employees to whom a parking permit has been issued.
- (4) Parking in spaces marked or identified as “County vehicles only” shall be restricted to County-owned or County-leased vehicles.
- (5) Parking in spaces marked or identified with the name of a County office, including but not limited to supervisors and department heads, shall be restricted to a vehicle of the specified County officer.
- (6) Parking in spaces marked or identified by red curb markings shall be limited as follows: no stopping, standing or parking, except that a bus may stop in a red zone marked or signposted as a bus loading zone. This restriction shall be effective at all times, unless signs indicating specific time periods are also posted in conjunction thereto.
- (7) Parking in spaces marked or identified by green curb markings shall be limited as follows: parking shall be limited to a maximum time limit of 20 minutes’ duration unless signs indicating a different time limit are also posted in conjunction thereto.
- (8) Parking in spaces marked or identified by yellow curb markings shall be limited as follows: parking shall be limited to commercial loading for the sole purpose of loading or unloading passengers or freight for a maximum time of 30 minutes, unless signs indicating a different time limit are also posted in conjunction thereto.

ATTACHMENT H

(9) Parking in spaces marked or identified by white curb markings shall be limited as follows: parking shall be limited to passenger loading for the sole purpose of loading or unloading passengers for only the time necessary for completion of same in an expeditious manner, not to exceed five minutes, or for the purpose of depositing mail in an adjacent United States mailbox.

(10) Parking in spaces marked or identified by blue curb markings shall be limited as follows: parking shall be limited exclusively for use by physically handicapped persons whose vehicles display either of the distinguishing license plates or placards issued to disabled persons pursuant to Section 22511.5 of the California Vehicle Code, or to disabled veterans, as specified in Section 9105 of the California Vehicle Code.

(11) No vehicle shall be left standing in any part of a parking lot that is not marked as a parking space.

(12) Notwithstanding any of the above regulations, the above described off-street parking areas shall be open to and restricted to vehicles of County employees and to vehicles of members of the public having business in County buildings. Parking by members of the public shall be limited to the time necessary to conduct such business.

(13) No vehicle shall occupy more than one marked parking space.

(14) No operator of any vehicle shall move or permit the vehicle to be moved from one parking space to another within any public parking lot, at any time and in such manner that the vehicle remains in the parking lot a period of time in excess of the parking time limit for the parking lot.

(15) No operator of any vehicle shall remove or permit the removal of any tire marking or other marking or device affixed to the vehicle in connection with the enforcement of established time limits, so as to avoid or impair the enforcement of provisions of this chapter.

(16) Parking in spaces marked or identified as “electric vehicle charging only” shall be restricted to a maximum of three hours.

(B) For purposes of these regulations, “members of the public” means and includes visitors, members of boards, commissions, official committees, jurors, and members of the press, but does not include County employees. [Ord. 5228 § 1, 2016; Ord. 4512 § 1, 1998; Ord. 4018 § 1, 1989; Ord. 2547, 1978; Ord. 1678, 1972; prior code § 10.60.040].

9.36.080 Overnight parking prohibited.

ATTACHMENT H

(A) Except as specifically authorized by the Director of the Department of General Services, it is unlawful for any person to park a vehicle overnight or camp therein overnight in any off-street parking area owned or operated by or leased to the County of Santa Cruz for any County operation other than County parks.

(B) Except as specifically authorized by the Director of the Department of Parks, Open Space and Cultural Services, it is unlawful for any person to park a vehicle in any County park parking area after the posted closing hours of the park. [Ord. 4018 § 1, 1989; Ord. 2547, 1978; prior code § 10.60.045].

9.36.085 Parks and recreational area parking lots—Administration and enforcement.

The Director of the Department of Parks, Open Space and Cultural Services is authorized to administer the regulations adopted by the Board of Supervisors for parking within any County park and in any additional areas delegated by the Director of the Department of Public Works. The Director shall:

(A) Determine the necessity for parking regulations in the area, and recommend adoption of such regulations to the Board of Supervisors;

(B) Implement the parking regulations adopted by the Board of Supervisors by determining appropriate locations for the various parking restrictions, preparing the diagram of the County park parking areas, identifying ~~such~~ restricted parking areas, and causing appropriate curb markings and/or signs implementing ~~thesuch~~ regulations to be erected and maintained in the area;

(C) Cause a copy of adopted regulations and the above-described diagram of the parking areas to be kept available to the public at the Department~~Office~~ of Parks, Open Space and Cultural Services and the Office of the County Clerk;

(D) Enforce adopted regulations in the parking areas by issuing citations for the violation thereof;

(E) Enforce adopted regulations in the parking areas by removal of such vehicles pursuant to the authority granted by Vehicle Code Section 22651~~(b), (k) and~~ (n). [Ord. 4018 § 1, 1989].

9.36.090 County parking lots—Administration and enforcement.

Except as provided in SCCC 9.36.085, and ~~Chapter 9.43 SCCC~~, the Director of the Department of General Services is authorized to administer the regulations adopted by the Board of Supervisors within any off-street parking areas owned or operated by or leased to the County. The Director shall:

(A) Determine the necessity for parking regulations in the area, and recommend adoption of such regulations to the Board of Supervisors;

ATTACHMENT H

- (B) Implement the parking regulations adopted by the Board of Supervisors by determining appropriate locations for the various parking restrictions, preparing the diagram of the County parking areas, identifying ~~thesuch~~ restricted parking areas, and causing appropriate curb markings and/or signs implementing ~~thesuch~~ regulations to be erected and maintained in the area;
- (C) Cause a copy of adopted regulations and the above-described diagram of the parking areas to be kept available to the public at the ~~Department~~Office of General Services and the Office of the County Clerk;
- (D) Enforce adopted regulations in the parking areas by issuing citations for the violation thereof;
- (E) Enforce adopted regulations in the parking areas by removal of such vehicles pursuant to the authority granted by Vehicle Code Section ~~22651(b), (k) and~~ (n). [Ord. 4155 § 2, 1991; Ord. 4018 § 1, 1989; Ord. 2547, 1978; Ord. 1678, 1972; prior code § 10.60.050].

9.36.100 Violation.

It is unlawful and a violation of this chapter for any person to stand or park a motor vehicle except as permitted by this chapter. Such violation shall be subject to a civil penalty, the enforcement of which shall be governed by the civil administrative procedures set forth in Division 17, Chapter 1, Article 3 (commencing with Section 40200) of the California Vehicle Code. [Ord. 4288 § 2, 1994; Ord. 4219 § 2, 1992].

ATTACHMENT I**Chapter 9.37
PARKING IN BEACH AREAS****9.37.010 Enforcement authority.**

Pursuant to the provisions of California Penal Code Section 836.5, the Director of the Department of Parks, Open Space, and Cultural Services and their delegated subordinates, ~~pursuant to the provisions of Section 836.5 of the Penal Code of the State,~~ are authorized to enforce the provisions of the Vehicle Code for illegal parking in the beach areas and issue citations for such violations. [Ord. 4222 § 1, 1992].

9.37.020 Areas in which citations may be issued.

The beach areas in which citations may be issued will be described by resolution of the Board of Supervisors ~~of the County~~. [Ord. 4222 § 1, 1992].

ATTACHMENT J

Chapter 9.45 FELTON LIBRARY PARKING ONLY ZONE

Sections:

- 9.45.010 Felton Library ~~P~~parking ~~O~~only zone.**
- 9.45.030 Felton Library ~~P~~parking ~~O~~only zone description.**
- 9.45.040 Hours of restricted parking.**
- 9.45.050 Posting of parking restrictions.**
- 9.45.060 Enforcement.**
- 9.45.070 Violation.**

9.45.010 Felton Library ~~P~~parking ~~O~~only zone.

Under the provisions of ~~California~~State Vehicle Code Section [22507](#), the ~~Santa Cruz County~~ Board of Supervisors does hereby ordain that a Felton Library ~~P~~parking ~~O~~only zone be established in the area of the Felton Library for the use of library patrons. [Ord. 3741 § 1, 1986].

9.45.030 Felton Library ~~P~~parking ~~O~~only zone description.

The Felton Library ~~P~~parking ~~O~~only zone shall consist of the parking space available on the east and west sides of Gushee Street for a distance of 100 feet from the corner of Gushee Street and Felton Empire Road. [Ord. 3741 § 1, 1986].

9.45.040 Hours of restricted parking.

The Felton Library ~~P~~parking ~~O~~only zone restrictions on Gushee Street shall be in effect from 9:00 a.m. to 6:00 p.m. daily. [Ord. 3741 § 1, 1986].

9.45.050 Posting of parking restrictions.

The Director of ~~the Department of~~ Public Works shall cause appropriate signs to be erected prominently indicating the conditions under which parking restrictions shall be enforced. [Ord. 3741 § 1, 1986].

9.45.060 Enforcement.

Pursuant to the provisions of ~~California Penal Code~~ Section [836.5](#) ~~of the Penal Code of the State of California~~, the Felton ~~Library~~ librarian and ~~their~~~~his or her~~ delegated subordinates are authorized to enforce the provisions of this chapter and issue citations for violations. In addition, the ~~Santa Cruz County~~ Sheriff and the California Highway Patrol may also enforce the provisions of this chapter. [Ord. 3741 § 1, 1986].

ATTACHMENT J

9.45.070 Violation.

It is unlawful and a violation of this chapter for any person to stand or park a motor vehicle in the Felton Library Parking Only zone except as permitted by this chapter. Such violation shall be subject to a civil penalty, the enforcement of which shall be governed by the civil administrative procedures set forth in Division 17, Chapter 1, Article 3 (commencing with Section 40200) of the California Vehicle Code. [Ord. 4288 § 5, 1994; Ord. 4219 § 3, 1992].

ATTACHMENT K

**Chapter 9.46
FALL CREEK PERMIT PARKING ZONE**

Sections:

- 9.46.010 Definitions.**
- 9.46.020 Permit parking zone established—~~Permit required when.~~**
- 9.46.030 Description of area of zone.**
- 9.46.040 Permit—Application.**
- 9.46.050 Permit—Fee.**
- 9.46.060 Permit issuance—Residents.**
- 9.46.070 Permit issuance—Nonresidents.**
- 9.46.080 Permit issuance—Guests of residents.**
- 9.46.090 Permit—Use limitations.**
- 9.46.100 Permit—Display requirements.**
- 9.46.110 Permit—Period of validity—Renewal.**
- 9.46.120 Permit—Replacement.**
- 9.46.130 Permit—Revocation.**
- 9.46.140 Parking dates and times.**
- 9.46.150 ~~Vehicles without permits permitted to park when—Other e~~Exemptions.**
- 9.46.160 Signposting of parking regulations.**
- 9.46.170 Enforcement—Statutory provisions adopted.**
- 9.46.180 Unlawful acts designated—Penalty.**

9.46.010 Definitions.

Whenever in this chapter the following terms are used, they shall be deemed and construed to have the following meanings:

(A) “Director” means the Director of the Department of Public Works or their designee.

(B) “Guest of resident” means a bona fide visitor to a residence located in the permit parking zone.

(~~C~~B) “Motor vehicles” means and includes any device upon which any person or property may be propelled, moved, or drawn upon a highway. For the purpose of this chapter, a motor vehicle shall include a licensed automobile, truck, housecar, trailer, motorcycle, or other motor-driven or motor-drawn form of transportation weighing over 50 pounds.

ATTACHMENT K

(~~DC~~) “Resident” means the principal occupant of a single-family dwelling, ~~or of a legal housing unit of a condominium,~~ or multiple-family dwelling. The quarters occupied are called a “residence” or a “household.” [Ord. 4211 § 1, 1992].

9.46.020 Permit parking zone established—~~Permit required when.~~

~~Pursuant to California Vehicle Code~~~~Under provisions of~~ Section 22507 ~~of the Vehicle Code~~, the Board of Supervisors ~~of the County~~ ordains that a preferential parking zone is established in the Fall Creek Drive area in which parking will be prohibited during a defined period of time. Exemptions from such prohibition, when not otherwise indicated in this chapter, will be obtained by securing and displaying in a vehicle a ~~type of~~ parking permit as described herein. [Ord. 4211 § 1, 1992].

9.46.030 Description of area of zone.

The Fall Creek permit parking zone in which parking will be permitted by the display of a valid permit will be described by resolution of the Board of Supervisors ~~of the County~~. [Ord. 4211 § 1, 1992].

9.46.040 Permit—Application.

Each application or reapplication for an annual parking permit shall contain information sufficient to identify the applicant, ~~their~~~~his/her~~ address within the permit zone, the license number of the motor vehicle for which application is made, and such other information that may be deemed relevant by the Director ~~of Public Works~~. [Ord. 4211 § 1, 1992].

9.46.050 Permit—Fee.

The fees for resident and nonresident parking permits and for changes to or replacement of parking permits shall be established by resolution of the Board of Supervisors ~~of the County~~. [Ord. 4211 § 1, 1992].

9.46.060 Permit issuance—Residents.

Residents’ parking permits shall be issued by the Director ~~of Public Works~~. No more than one parking permit shall be issued to each motor vehicle for which application is made. The Director ~~of Public Works~~ is authorized to issue such rules and regulations consistent with this chapter governing the manner in which residents may~~shall~~ qualify for parking permits. [Ord. 4211 § 1, 1992].

9.46.070 Permit issuance—Nonresidents.

(A) Nonresidents may obtain a yearly or daily parking permit to park within the parking permit zone. The Director ~~of Public Works~~ shall limit the number of daily nonresident permits available for sale to not more than 10 permits each day; and shall limit the number of yearly nonresident permits available for sale to not more than 15. These limits shall not apply to nonresident owners of property located within the permit parking zone.

ATTACHMENT K

~~(B) Nonresident owners may apply for parking permits while within the permit parking zone.~~

~~(B)~~ The Director ~~of Public Works~~ is authorized to issue rules and regulations consistent with this chapter governing the manner in which nonresidents and nonresident property owners ~~may~~shall qualify for parking permits.

~~(C)~~ Only one permit shall be issued to each qualified applicant ~~for a permit issued~~ pursuant to this section. [Ord. 4211 § 1, 1992].

9.46.080 Permit issuance—Guests of residents.

The Director ~~of Public Works~~ is authorized to issue parking permits to residents of the permit parking zone ~~to be used by for use of~~ their bona fide transient guests. Such guest permits will be identified at the time of issuance with the name and address of the resident. No more than two guest permits ~~may~~shall be issued ~~perto any residence in the permit parking zone.~~ [Ord. 4211 § 1, 1992].

9.46.090 Permit—Use limitations.

A parking permit shall not guarantee or reserve to the holder thereof an on-street parking space within the designated permit zone, nor shall permit holders be exempt from parking restrictions or prohibitions established pursuant to authority other than this chapter. [Ord. 4211 § 1, 1992].

9.46.100 Permit—Display requirements.

(A) Resident permits, annual nonresident permits, and nonresident owner permits shall be permanently affixed to the motor vehicle in a way that they shall be easily seen and read by enforcement officers.

(B) ~~All other permits~~Permits of guests of residents of the permit parking zone and daily permits for nonresidents shall be ~~displayed on the dashboard~~issued in a form for display through the windows or windshield of the vehicle in a way that they ~~may~~shall be easily seen and read by enforcement officers. Vehicles without dashboards or windshields ~~or enclosed areas~~ shall have permits attached to the vehicle in such a manner that they ~~may~~shall be easily seen and read by enforcement officers. [Ord. 4211 § 1, 1992].

9.46.110 Permit—Period of validity—Renewal.

(A) Except for daily permits issued to nonresidents, all parking permits issued pursuant to the provisions of this chapter shall be valid during the period of time within ~~the one~~ calendar year when the permit is issued ~~parking is required within the zone.~~

(B) Permits may be renewed annually upon reapplication in the manner required by the Director ~~of Public Works.~~ [Ord. 4211 § 1, 1992].

ATTACHMENT K

9.46.120 Permit—Replacement.

The Director ~~of Public Works~~ may issue a duplicate permit to any person who~~if any resident or nonresident owner to whom a valid parking permit has been issued, or to whom a valid guest-of-resident permit has been issued,~~ can furnish proof that theirsuch permit has been destroyed or, lost, or that they no longer possess the vehicle to which the permit was affixed ~~has been disposed of. This section does not apply to daily permits.~~ [Ord. 4211 § 1, 1992].

9.46.130 Permit—Revocation.

The Director ~~of Public Works~~ is authorized to revoke the parking permit of any person found to be in violation of this chapter, and upon written notification thereof, the person shall surrender such permit to the Director ~~of Public Works~~. Failure, when so requested, to surrender a parking permit so revoked shall constitute a violation of this chapter. [Ord. 4211 § 1, 1992].

9.46.140 Parking dates and times.

The date and time when parking restrictions will be in effect in the permit parking zone will be established by resolution of the Board of Supervisors ~~of the County~~. [Ord. 4211 § 1, 1992].

9.46.150 ~~Vehicles without permits permitted to park when—Other e~~Exemptions.

(A) Those vehicles bearing a permit issued under this chapter are exempt from the parking restrictions set forth in this chapter~~A resident, guest of a resident, nonresident owner, or a nonresident with either an annual or daily permit shall be permitted to stand or park their vehicles in a permit parking area for which a permit has been issued pursuant to this chapter.~~

(B) Emergency vehicles, government vehicles, and vehicles bearing a license plate or placard issued by the California Department of Vehicles for disabled individuals are~~Vehicles readily identified by enforcement officers as emergency, government, or handicapped will be~~ exempt from the parking restrictions of this chapter.

(C) Vehicles readily identifiable as commercial, delivery, service, and contractors' vehicles, while the occupants of the vehicle are actually engaged in providing services to residences or commercial enterprises, or in the maintenance and repair of public services or utilities, will be exempt from the parking restrictions of this chapter.

(D) All alleys, private property, private streets and roads are exempt from the parking restrictions of this ~~chapter~~section. [Ord. 4211 § 1, 1992].

9.46.160 Signposting of parking regulations.

ATTACHMENT K

The Director ~~of Public Works~~ shall cause appropriate signs to be erected inside or outside the permit parking zone indicating prominently thereon the conditions under which permit parking regulations shall be enforced. [Ord. 4211 § 1, 1992].

9.46.170 Enforcement—Statutory provisions adopted.

The ~~Santa Cruz County~~ Sheriff and the California Highway Patrol may enforce the provisions of this chapter. [Ord. 4211 § 1, 1992].

9.46.180 Unlawful acts designated—Penalty.

(A) It is unlawful and a violation of this chapter for any person to stand or park a motor vehicle in the permit parking zone except as permitted by this chapter. Such violation shall be subject to a civil penalty, the enforcement of which shall be governed by the civil administrative procedures set forth in Division 17, Chapter 1, Article 3 (commencing with Section 40200) of the California Vehicle Code.

(B) It is unlawful and a violation of this chapter for a person to falsely represent ~~themselves~~himself/herself as eligible for a parking permit, or to furnish false information in an application therefor to the Director ~~of Public Works~~.

(C) It is unlawful and a violation of this chapter for a person holding a valid parking permit issued pursuant hereto to permit the use or display of such permit on a motor vehicle other than that for which the permit is issued. Such conduct shall constitute an unlawful act and violation of this chapter both by the person holding the valid parking permit and the person who so uses or displays the permit on a motor vehicle other than that for which it is issued.

(D) It is unlawful and a violation of this chapter for a person to copy, produce, or otherwise bring into existence a facsimile or counterfeit parking permit or permits without written authorization from the Director ~~of Public Works~~. It is further unlawful and a violation of this chapter for a person to knowingly use or display a facsimile or counterfeit parking permit in order to evade limitations on parking applicable in a permit parking zone.

(E) ~~A~~Upon conviction ~~for~~of any unlawful act or violation of SCCC 9.46.150 ~~or~~and subsections (B), (C) ~~or~~and (D) of this section ~~is, a person shall be~~ punishable by a fine not to exceed \$500.00. [Ord. 4288 § 6, 1994; Ord. 4211 § 1, 1992].



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office

(831) 454-2100

Subject: Santa Cruz County Performance Measurement Initiative

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Accept and file report on the Santa Cruz County Performance Measurement Initiative; and
- 2) Direct the County Administrative Office to return in May 2020 with an update.

Executive Summary

Performance measurement is a tool to measure and report progress across three County initiatives: the strategic plan, the operational plan and budget, and PRIMO! Santa Cruz. Strategic plan measures focus on *community impact*, operational plan and budget measures focus on *program impact*, and PRIMO! measures focus on *processes* to deliver customer-oriented improvement. The study session on today's agenda will cover the County's effort to develop measures of community and program impact.

Background

Performance measurement is the final management initiative of four, the first of which began in Fiscal Year (FY) 2017-18. The County's four initiatives are:

- Strategic Plan (2018-24) - Approved by the Board on June 26, 2018, the strategic plan for the first time established a County vision, mission, values, focus areas, and goals.
- Operational Plan and Budget (2019-21) - Approved by the Board on June 25, 2019, the operational plan and budget established the first of three two-year work plans that created and financed 178 SMART (specific, measurable, attainable, relevant, time-bound) objectives to achieve strategic plan goals.
- PRIMO! Santa Cruz / Continuous Process Improvement (24/7) - Launched in FY 2018-19, PRIMO! Santa Cruz is building a culture of employee-driven, customer-oriented improvement. It is a workplace philosophy that ingrains improvement as a part of everyday work; where processes are evaluated and innovated upon by all levels of our organization and lead to better outcomes for customers.
- Performance Measurement (24/7) - Launched in FY 2019-20, performance measurement is a tool to measure and report progress on the first three initiatives:
 - Strategic Plan measures are population-level community impacts that we want to achieve.

- Operational Plan measures are program impacts that ask whether County programs are making anybody better off; are we doing the right things?
- PRIMO! measures are process measures that ask are we doing the right things well?

County of Santa Cruz Management Initiatives



The Performance Measurement Initiative kicked off over two weeks in August, bringing together data expertise from inside and outside the County in order to create the framework for the initiative, and to create documents and report prototypes to seed the work. Today's study session and the following analysis are the result of that work.

Analysis

Three Initiatives, Three Levels of Impact

Performance Measurement - Performance measurement is a tool to measure and report progress on the three initiatives listed above. The measures address three distinct levels of impact:

Strategic Plan and Community Impact - The County Strategic Plan sets forth a vision of a healthy, safe and more affordable community that is culturally diverse, economically inclusive and environmentally vibrant. In order to measure progress towards achieving that vision, the County is developing a set of population-level community impact measures.

The County's community impact measures will align with the Collective of Results and Evidence-based (CORE) conditions of well-being, developed with local funders and service providers. The measures will be tracked and displayed through DataShare Santa Cruz County (www.datasharescc.org <<http://www.datasharescc.org>>), a web-

based platform to house, display and make data accessible and available to everyone.

The draft set of measures is attached for Board consideration. The draft measures are aligned with the CORE conditions and available in DataShare. The County is currently working with its data partners to evaluate available data in DataShare, identify additional data, and develop processes to have additional data added to DataShare.

The draft measures also align with the strategic plan focus areas: Comprehensive Health & Safety, Attainable Housing, Reliable Transportation, Sustainable Environment, and Dynamic Economy. Staff are proposing eight measures in Comprehensive Health & Safety and four measures in each of the remaining focus areas, for a total of 24 measures. Limiting the total number of measures provides greater clarity to the public on the impact we are trying to create, and increases accountability to those measures.

The County Administrative Office (CAO) will present a final set of measures to the Board for approval in May 2020 and will update the measures annually thereafter.

Operational Plan and Program Impact - The operational plan set forth 178 SMART objectives that work to achieve strategic plan goals. Each of the 178 objectives will be updated biannually on the operational plan website, and the first update to the plan will be brought to the Board in January 2020.

For up to 10-12 programs (objectives, or groups of objectives) annually, the CAO will work with departments to create the measures and reports that address whether a program is having its intended impact; are we doing the right thing.

Each program project will have two results:

- An internal reporting dashboard that is used by the department to increase program impact and recommend program changes.
- An external, public-facing reporting dashboard to provide education and transparency to the community.

In order to provide a consistent measurement framework for both internal and external reporting, the County will use a Results-Based Accountability (RBA) framework that asks of each program three questions:

- How much are we doing?
- How well are we doing it?
- Is anyone better off?

The RBA framework was developed specifically for government programs, and has been used for many years by the County's Human Services and Probation departments. RBA can apply across the wide range of programs that the County operates, and requires less staff training and expertise than comparable models.

The draft program project pipeline is attached. Draft programs were selected based on a variety of factors including likely public interest, link to operational plan, link to strategic plan focus area, available data, and staff capacity.

PRIMO! Santa Cruz and Process Impact - PRIMO! Santa Cruz, in partnership with Whole Person Care, is operating 15 projects across County departments, with the intention of building a culture of data-informed, employee-driven, customer-oriented improvement. It advocates for Lean, a workplace philosophy that engrains improvement as a part of everyday work; where processes are evaluated and innovated upon by all levels of our organization and lead to better outcomes for customers.

PRIMO! projects are scoped to directly impact their processes and systems, asking how we can improve on the things we are doing. Within each project, teams use tools and techniques to develop measures and reports that establish baseline metrics for the processes to understand current performance and underlying root causes of wastes. Teams then use those same measures to demonstrate the value of the improvements made within the project and to sustain those improvements moving forward. An update on PRIMO! is scheduled for the next Board meeting on November 19, 2019.

Connecting Community and Program Impacts

An additional benefit of RBA is that it provides a way to connect program impact measures to community impact measures. The relationship is defined by the population being measured, illustrated below, and demonstrated using the example of a job training program.

RBA asks three questions of each program: how much, how well, and is anybody better off. The first two questions (how much, how well) are measures of the quantity and quality of the effort a department makes. For a job training program, a department can report on how many people it trained, and what percentage of those people trained completed the program.

The third question (is anyone better off) bridges program impact and community impact by linking programs to larger community goals. In the job training example, the community may have a goal of having everyone employed in living-wage jobs. The job training program on its own cannot move that measure very much, but it can report on that measure for the population that it serves. So, the program may track the percent of its population that is employed six months after completion of the program in a living-wage job, which contributes and works towards the larger community goal.

As programs move through the RBA framework, their control over the measures weaken. The department has complete control over how many people it trains, this is a measure of quantity of effort. The department has less control over how many people successfully complete the program. This may depend on geography, equipment, staffing, and other factors, but is still largely under the control of the department. This is a measure of the quality of effort of fire service.

The department has the least control over the number of clients employed six months after completion of the program. This is a measure of the quality of the effectiveness of the program and depends not only on the quality of the effort, but also economic conditions, access to transport, and other factors out of the control of the department.

The department is not, therefore, responsible for countywide employment, but can demonstrate its impact within the population that it serves.

Performance Measurement Project Management

The CAO has established a Performance Measurement Initiative Central Committee to create standards for public dashboards, develop a performance measurement guidebook and series of trainings, and ensure clear, frequent communications to County staff. Those resources will be available to all staff by January 2020 through the County's intranet site.

Standards for public dashboards are intended to provide a consistent user experience while on the performance measurement site. To achieve this, programs will have to think about their service from the client perspective, and focus on the most important data narrative that they want to convey. Standards will also include guidance for dimensions of equity, transparency and style.

A performance measurement guidebook has been drafted, and is currently being edited by staff. The guidebook is intended to give any staff member the basic information they would need to begin planning a performance measurement project. The sections include results-based accountability, data quality and management, data security, and data visualization.

Trainings under development include a range of subjects including basic Excel skills, data visualization, results-based accountability, and an introduction to project management. These trainings will be available at least once per year, with some developed in-house and some provided by outside consultants.

Strategic Plan Element(s)

6.B (Operational Excellence: County Workforce)

6.D (Operational Excellence: Continuous Improvement)

The Performance Measurement Initiative expands learning and training opportunities for staff, increases public transparency and education, and provides tools to assess and report on County programs.

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer


Attachments:

- a Draft Community Impact Measures
- b Draft Performance Measurement Program Pipeline

DRAFT COMMUNITY IMPACT MEASURES

Impact Measure	CORE Alignment	Available in DataShare
 Comprehensive Health & Safety		
Access to regular source of healthcare	Yes	Yes
Food insecurity rate	Yes	Yes
Teen Birth Rate	Yes	Yes
Mental health status: suicide, drug-induced deaths	Yes	Yes
Obesity rate	Yes	Yes
Crime Rate	Yes	Partial
Perception of crime	Yes	No
Emergency department utilization	Yes	No
 Attainable Housing		
Median Housing Cost	Yes	No
Growth in housing units	Yes	No
Renters spending 30% or more of their income on rent	Yes	Yes
Homeless Population	Yes	Yes
 Reliable Transportation		
Pavement Condition Index	Yes	No
Commute times	Yes	Yes
Neighborhood walkability score	Yes	No
Transportation safety	Yes	Yes
 Sustainable Environment		
Access to exercise opportunities	Yes	Yes
Greenhouse gas emissions	Yes	No
Groundwater aquifer conditions	Yes	No
Solid waste reduction	Yes	No
 Dynamic Economy		
Total employment	Yes	Yes
Median household income	Yes	Yes
People 25+ with a bachelor's degree or higher	Yes	Yes
People experiencing poverty	Yes	Yes

DRAFT PROGRAM PIPELINE

Department	Program	Description
 Comprehensive Health & Safety		
Health Services	Drug Medi-Cal Organized Delivery System	Substance Use Disorder treatment services and impacts
Health Services	Whole Person Care	Pilot program services and impacts
Human Services	Food Security	Benefits division services and impacts
Probation	AB 109	Treatment and intervention services and impacts
 Attainable Housing		
Homeless Services Coord.	Homeless Services	Homeless services and impacts
 Reliable Transportation		
Public Works	Road Repair	Capital improvements and impacts
 Sustainable Environment		
Cannabis Licensing Office	Cannabis Dashboard	Licensing services and impacts
Parks	Awesome Programs/Great Facilities	Program services and impacts; Capital improvements and maintenance impacts
Public Works	Solid Waste & Recycling	Zero waste services and impacts
 Dynamic Economy		
Human Services	Workforce Development	Job training services and impacts
 Operational Excellence		
Personnel	Talent Acquisition	Recruitment services and impacts
Planning	Building Permits	Permit process services and impacts



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office
(831) 454-2100

Subject: 2020 Legislative Priorities

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Establish Board legislative priorities for the upcoming year, and direct the County Administrative Office to share the priorities with the County's Legislative Delegation; and
- 2) Schedule a special Board meeting on December 2, 2019, beginning at 9:00 a.m. or thereafter, to coordinate legislative activities with members of the County's Legislative Delegation.

Executive Summary

Each year, the County creates a Legislative Prospectus to for the upcoming legislative year. The 2020 Legislative Prospectus includes a set of policy positions and shows how they connect to the County Strategic Plan. This year, the Board is also establishing a set of priorities to pursue through our partners in the State and federal governments.

Background

The County's legislative process is administered through the County Administrative Office under direction from the Board of Supervisors. Each year, the County creates a Legislative Prospectus containing County policy positions. This year, the Board is establishing a small number of priorities to pursue through legislative processes, and is re-establishing a legislative coordination meeting with members of the County's Legislative Delegation, which is planned for December 2, 2019.

Analysis

Legislative advocacy is one of the most effective ways counties can positively impact governmental operations for the benefit of County residents. Each year, the Board considers a County Legislative Program outlining various proposals from County departments that will influence legislative activities at the State and federal level during the upcoming year.

As we prepare for the upcoming session and review the legislative successes achieved this year, we would like to take this opportunity to thank Senators Dianne Feinstein and Kamala Harris, Congressmembers Anna Eshoo and Jimmy Panetta, Senator Bill Monning, and Assemblymembers Mark Stone and Robert Rivas, and we are confident that they will continue to advance the County's priorities through strong leadership.

Goals and Achievements in 2019

Governor Gavin Newsom's first year in office was eventful, and he established himself as a strong advocate for housing and early childhood development, as well as casting California in contrast to many ongoing federal initiatives and priorities.

As it has for the last several years, housing legislation was a major topic of discussion in Sacramento in 2019, and we expect it will be again in 2020. Additional significant legislative actions came in the areas protections for contract and "gig" workers, vaccination coverage, a ban on smoking at State beaches and parks, passage of the Farmworker Housing Act, agreement on a \$15 billion school funding ballot measure to go before voters in March and more. Additionally, supporters of a 2020 "split roll" initiative won support from powerful allies and is an effort worth minding as the new year unfolds.

Legislative Priorities for 2020

The County's 2020 Legislative Prospectus includes dozens of specific bills and general topic areas suggested by departments for monitoring throughout the upcoming legislative year. Should opportunities for advocacy on behalf of residents arise within these areas, County staff would bring these opportunities back to the Board for consideration and specific action.

Additionally, County staff are requesting Board action on a discrete set of State and federal priorities. In consultation with departments and after receiving feedback from Board members, staff are proposing four State and four federal priorities, each of which addresses specific community needs and which together provide a range of benefits to Santa Cruz County, while furthering the objectives of our strategic and operational plans. Among these are federal funding for emergency storm repairs and other infrastructure improvements, increases in home-health care visits, minimizing impacts from Public Safety Power Shutoffs and more.

The County will continue to focus on local priorities that address core values, including environmental protection, health and human services programs, housing and homelessness, and improvements to programs delivered by counties on behalf of the State and local control.

Strategic Plan Element(s)

The 2020 Legislative Priorities and Prospectus impacts all areas of the strategic plan.

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a 2020 Legislative Priorities

b 2020 Legislative Prospectus

2020 LEGISLATIVE PRIORITIES



S T A T E

- The opioid crisis impacts communities across the U.S., including Santa Cruz County. The County **Supports** funding for Drug Medi-Cal services and access to substance use disorder services, including Medication for Addiction Treatment (MAT) and Withdrawal Management.
- Widespread challenges in the recycling market have sowed uncertainty in recycling and solid waste programs. The County **Supports** new legislation to address growing plastic pollution, declining global markets for recycled materials, compliance standards, CRV and other issues, including funding mandated local organics diversion facilities through Cap-and-Trade revenues.
- The County **Supports** reimbursement for counties and other local governments associated with the costs of Public Safety Power Shutoffs, including but not limited to preparation, outreach, services for medically vulnerable adults, shelters and more, as well as increased local government input on investor-owned utilities' wildfire management plans and practices.
- The County **Supports** legislation making State armories available to address homelessness throughout California, including making them available year-round, reducing or eliminating fees, standardizing security processes to minimize costs to local jurisdictions, and more.

F E D E R A L

- The County **Supports** restoring flexibility and funding, either through administrative or legislative action, of local governments to complete emergency repairs funded via Federal Highway Administration, FEMA or other agencies, through time extensions or legislation expanding project windows, on projects using federal emergency relief funds.
- The County **Supports** the U.S. Army Corps of Engineers and the White House Office of Management and Budget re-establishing funding formulas to more equitably determine the costs and benefits of flood control projects in communities such as the Pajaro Valley, which has inadequate flood-control protections due to project analyses favoring wealthy communities.
- The County **Supports** future changes to the California Medicaid State Plan Amendment or new federal waiver(s) to allow housing to be included in the reimbursable scope of services for beneficiaries with complex health challenges.
- The County **Supports** permanent funding for the Land Water and Conservation Fund (LWCF) including SB 1081/HR 3195. The County also **Supports** federal funding for Active Transportation, particularly for hiking and biking trails.



2020 SANTA CRUZ COUNTY LEGISLATIVE PROSPECTUS



COUNTY OF SANTA CRUZ
701 Ocean Street Santa Cruz, Calif. 95060

The County of Santa Cruz monitors legislative activity related to the values and priorities of the Santa Cruz County community. The following list represents the collective work of staff to identify potential areas of interest or concern. It was compiled by the County Administrative Office.

These items are related to the objectives of the County's Strategic Plan, include references to specific bills and general topic areas, and provide legislative guidance to our legislative delegation and advocates. They do not represent the legislative positions of the Board of Supervisors.

Environment, Water and Agriculture

Santa Cruz County has a long tradition of environmental protection and leadership on environmental issues, from banning fracking and offshore oil drilling to protection of riparian corridors and endangered species. Situated on the northern end of Monterey Bay and with an economy heavily dependent on tourism and agriculture, environmental protection remains a top priority. As a self-reliant County when it comes to water resources, the County has also been a leader in water conservation and protecting water resources.

Parks/Outdoor Activities

- Incentives for collaborative efforts between counties, cities, schools, businesses and nonprofits to expand recreational opportunities for youth, families and seniors, including new parks and increased utilization of existing facilities.
Strategic Plan elements: 1A (Health Equity), 4A (Outdoor Experience), 4C (Local Conservation), 5D (Educational Opportunity)
- Funding for social equity in Parks, including encouraging and engaging non-traditional communities to participate in outdoor recreation and activities.
Strategic Plan elements: 1A (Health Equity), 4A (Outdoor Experience), 4C (Local Conservation), 5D (Educational Opportunity)
- AB 1111, establishing the Office of Outdoor Recreation to help recruit responsible tourism and manage outdoor recreation and visitors, as well as advocating for diversity in tourism.
Strategic Plan elements: 4A (Outdoor Experience), 4B (Natural Resources), 4C (Local Conservation), 5D (Educational Opportunity)

Parks/Outdoor Programs

- Funding and authority for a three-year pilot program partnering agriculture, seniors and students 13-17 years old and either enrolled in the free lunch program or eligible for it. Seniors would help the teens prepare healthy meals sourced from local farms, educating youths about agriculture through hand-on experience and providing seniors opportunities to stay involved in their communities.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 4A (Outdoor Experience), 4B (Natural Resources), 4C (Local Conservation), 5D (Educational Opportunity)
- SB 1908/HR 2818, to provide healthy meals to underserved and disadvantaged communities in places where they recreate and/or enjoy outdoor activities.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 4A (Outdoor Experience), 4C (Local Conservation)
- Legislation providing a narrow exemption to prevailing wage requirements on public-private projects allowing philanthropic organizations and volunteers to donate their skills without violating State law.
Strategic Plan elements: 4A (Outdoor Experience), 4B (Natural Resources), 4C (Local Conservation), 4D (Climate Change), 6C (County Infrastructure), 6D (Continuous Improvement)

Environment/Resource Management

- Permanent State funding for Resource Conservation Districts with local management.
Strategic Plan elements: 4A (Outdoor Experience), 4B (Natural Resources), 4C (Local Conservation), 4D (Climate Change), 6C (County Infrastructure)

Environment/Recycling and Solid Waste

- The State has ambitious goals for diverting all organic waste from landfills to help combat climate change but has not established enough funding to meet those goals. Cap-and-Trade funds could be used for help achieve these goals.
Strategic Plan elements: 4C (Local Conservation), 4D (Climate Change), 6C (County Infrastructure), 6D (Continuous Improvement)
- The County is a national leader in reducing plastic pollution and single-use plastics. SB54/AB1080, the “California Circular Economy and Pollution Reduction Act,” address plastic pollution in the environment.
Strategic Plan elements: 1A (Health Equity), 4C (Local Conservation), 4D (Climate Change)
- Legislation establishing Extended Producer Responsibility (EPR) Programs for batteries, solar panels, electronic waste, electronic smoking devices and other items that cannot be easily recycled and should not be deposited in landfills.
Strategic Plan elements: 1A (Health Equity), 4C (Local Conservation), 4D (Climate Change)

Environment/Renewable Energy

- Customer choice options for retail power providers or programs, including community choice aggregation.
Strategic Plan elements: 4C (Local Conservation), 4D (Climate Change), 5C (Local Business)

Environment/Wildfire

- Criteria to access State funding for wildfire prevention projects to include funding for local code enforcement activities within CAL FIRE-designated Tier 3 fire zones.
Strategic Plan elements: 4B (Natural Resources), 4C (Local Conservation), 4D (Climate Change), 6D (Continuous Improvement)

Environment/Flood Protection and Infrastructure

- U.S. Army Corps of Engineers and the White House Office of Management and Budget re-establishing funding formulas to more equitably determine the costs and benefits of flood control projects in communities such as the Pajaro Valley, which has inadequate flood-control protections due to project analyses favoring wealthy communities.
Strategic Plan elements: 3C (Local Roads), 4B (Natural Resources), 4D (Climate Change), 6C (County Infrastructure)

- Climate change increases the likelihood of coastal flooding and other threats associated with sea-level rise and increased storm activity. Legislation and funding for climate change resiliency, as well as streamlining approval processes and the removal of regulatory and other barriers, to fund adaptive infrastructure or the repair or improvement of unsafe or outdated infrastructure.
Strategic Plan elements: 3C (Local Roads), 4B (Natural Resources), 4D (Climate Change), 6C (County Infrastructure)

Water/Clean Water

- Funding and incentives to the agricultural sector for compliance with clean water goals and additional efforts to improve groundwater integrity.
Strategic Plan elements: 4B (Natural Resources), 4C (Local Conservation), 5A (Regional Workforce), 5C (Local Businesses)

Water/Resource Management

- Funding for programs to explore, encourage and execute groundwater recharge programs.
Strategic Plan elements: 4B (Natural Resources), 4C (Local Conservation), 4D (Climate Change), 6C (County Infrastructure)
- Continued coordination between land use and water regulatory agencies in California, as well as legislation that would mandate increased coordination and collaboration among cities and county agencies when it comes to water and land use management.
Strategic Plan elements: 4B (Natural Resources), 4C (Local Conservation), 4D (Climate Change), 6C (County Infrastructure), 6D (Continuous Improvement)

Agriculture/Pest and Invasive Species Management

- Funding for pest exclusion, pest detection, pest management, trapping and eradication, survey activities, rapid response, and public outreach in order to protect our agriculture and environment from invasive species.
Strategic Plan elements: 4B (Natural Resources), 4D (Climate Change), 6C (County Infrastructure)
- Long-term funding for local pesticide regulatory activities, such as legislation that maintains or increases the pesticide mill fee, and supports the preemptive status of state pesticide laws as well as the Department of Pesticide Regulation's continuing study of safe pesticide practices that minimize impacts to workers, the environment and wildlife.
Strategic Plan elements: 4B (Natural Resources), 4D (Climate Change), 5C (Local Businesses), 6C (County Infrastructure)
- Resources to provide stable funding for Weed Management Areas or programs for the control of harmful non-native or invasive weed pests.
Strategic Plan elements: 4B (Natural Resources), 4D (Climate Change), 6C (County Infrastructure)

Agriculture/Land Use

- Legislation or budget proposals to fund the Williamson Act subventions to counties.
Strategic Plan elements: 4B (Natural Resources), 4D (Climate Change), 5C (Local Businesses), 6C (County Infrastructure), 6D (Continuous Improvement)
- Environmental review of new school site proposals so they are similar to other developments and that set specific mitigations when schools are sited in agricultural areas to include buffers, setbacks and pick-up/drop-off locations to be incorporated into the school footprint to minimize interference with agricultural operations.
Strategic Plan elements: 1A (Health Equity), 4B (Natural Resources), 4C (Local Conservation), 5C (Local Businesses)

Agriculture/Consumer Protection

- Funding sources for Weights and Measures programs as the state (Department of Measurement Standards) and local (Agricultural Commissioner/Sealer) level for consumer protection.
Strategic Plan elements: 5C (Local Businesses), 6D (Continuous Improvement)
- Clear labeling and accuracy of the net quantity of packaged products to promote value comparison and that ensures the consumer receives the correct product and the quantity of product they paid for.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 5C (Local Businesses), 6D (Continuous Improvement)
- Funding for quantity control and package inspections at the State and local level.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 5C (Local Businesses), 6D (Continuous Improvement)
- Legislation to impacting the repeal date in Business and Professions Code Section 12246 pertaining to Weights and Measures Device Registration fees.
Strategic Plan elements: 5C (Local Businesses), 6D (Continuous Improvement)

Transportation, Housing and Land Use

Roads, alternative transportation infrastructure and public transit are some of the top priorities of Santa Cruz County residents. Neighborhood vitality is also key to our quality of life, though housing shortfalls have led to rising housing prices that have disproportionately impacted lower-income residents and made it difficult to attract and retain jobs and businesses. There is a growing consensus on the need for additional housing to address the needs of the community, as well as strong public interest in addressing local impacts from the statewide homelessness issue.

Transportation/Roads

- Funding for infrastructure to help promote better roads, transportation and public safety.
Strategic Plan elements: 3A (Regional Mobility), 3B (Community Mobility), 3C (Local Roads), 3D (Public Transit), 6C (County Infrastructure)

Transportation/Emergency Repairs

- Regulatory barriers and streamlined approval processes for projects funded in part or wholly through State or federal emergency relief allocations.
Strategic Plan elements: 4D (Climate Change), 6C (County Infrastructure), 6D (Continuous Improvement)

Transportation/Air Transport

- Federal Aviation Administration (FAA) approval of flight procedures that have impacts on local communities to significantly increase Congressional oversight and provide input by local communities impacted by flight paths and associated procedures.
Strategic Plan elements: 1A (Health Equity), 5B (Community Vitality)

Housing/Affordable Housing

- Taxes or fees on vacant housing, establishing State level administration and collection of revenues, and redirecting revenues to jurisdictions of origin to fund affordable housing.
- **Strategic Plan elements:** 2A (Affordable Housing), 2C (Local Inventory), 2D (Homelessness)
- Legislation maximizing the flexibility public facilities-zoned properties to provide affordable housing, including workforce housing.
Strategic Plan elements: 2A (Affordable Housing), 2C (Local Inventory), 2D (Homelessness), 6D (Continuous Improvement)
- Legislative actions or programs that increase affordable housing through density bonuses and similar measures, while retaining local flexibility over land-use decisions.
Strategic Plan elements: 2A (Affordable Housing), 2B (Community Development), 2C (Local Inventory), 5A (Regional Workforce), 5B (Community Vitality), 5C (Local Businesses), 6D (Continuous Improvement)

- Legislation to provides incentives or funding grants and loans for the use of alternate methods and materials for the construction of affordable housing.
Strategic Plan elements: 2A (Affordable Housing), 2B (Community Development), 2C (Local Inventory), 5A (Regional Workforce), 5B (Community Vitality), 5C (Local Businesses)
- Legislation making it easier to construct alternative housing, including accessory dwelling units, tiny homes, etc., as well as the removal of overly burdensome regulations preventing development of these kinds of homes.
Strategic Plan elements: 2A (Affordable Housing), 2B (Community Development), 2C (Local Inventory), 2D (Homelessness), 5A (Regional Workforce), 5B (Community Vitality), 5C (Local Businesses), 6D (Continuous Improvement)

Housing/Homelessness

- Funding for permanent and supportive housing to address homelessness. The County **Supports** both one-time and ongoing funding solutions.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 2A (Affordable Housing), 2D (Homelessness), 5B (Community Vitality), 5C (Local Businesses)
- Flexibility in designing housing solutions for homeless populations, including the adoption of local standards for emergency housing notwithstanding other provisions of law, provided the housing helps mitigate the impacts of an existing shelter crisis.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 2A (Affordable Housing), 2C (Local Inventory), 2D (Homelessness), 5B (Community Vitality), 5C (Local Businesses), 6D (Continuous Improvement)
- Federal funding to address homelessness, including an increase in Section 8 housing vouchers and funding specifically targeted towards preventing and ending veteran and youth homelessness. The County also **Supports** updating the McKinney-Vento funding formula to more equitably distribute funds to communities disproportionately impacted by homelessness.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 2A (Affordable Housing), 2D (Homelessness)

Housing/Senior and Dependent Eviction Protection

- Legislation and funding that would develop, test, and support housing preservation and eviction prevention services among seniors and dependent adults who have been victims of abuse or neglect, or self-neglect.
Strategic Plan elements: 1A (Health Equity), 1D (Behavioral Health), 2A (Affordable Housing), 2D (Homelessness)

Land Use/University Growth

- Policies and actions to limit enrollment at University of California-Santa Cruz to match community resources and to fully mitigate the community impacts of any future growth, including providing infrastructure needed to support that growth.
Strategic Plan elements: 2B (Community Development), 2C (Local Inventory), 3B (Community Mobility), 5D (Educational Opportunity)

Land Use/Local Coastal Plans

- Legislation or actions to provide local communities more flexibility when updating Local Coastal Plans under the California Coastal Act, including the ability to design climate change solutions considering local geography and conditions.
Strategic Plan elements: 2C (Local Inventory), 4B (Natural Resources), 4D (Climate Change), 6D (Continuous Improvement)

Land Use/Cannabis

- Preservation of local control over local cannabis operations.
Strategic Plan elements: 4B (Natural Resources), 5C (Local Businesses), 6D (Continuous Improvement)

Land Use/Neighborhood Vitality

- Legislation providing resources to address new and existing property maintenance-related violations, nuisance issues and property enforcement programs to help protect public safety, as well as property values and neighborhood quality of life.
Strategic Plan elements: 1A (Health Equity), 4B (Natural Resources), 5B (Community Vitality), 6A (Customer Experience), 6D (Continuous Improvement)

Land Use/Healthy Communities

- Safe alternative transportation routes for students, seniors and other community members and to help mitigate potentially dangerous walking and biking conditions through the County.
Strategic Plan elements: 3B (Community Mobility), 4A (Outdoor Experience), 5B (Community Vitality)

Land Use/Town Plan Updates

- Development of main street or town-centered plans that create local jobs, encourages tourism and create opportunities for residents.
Strategic Plan elements: 2B (Community Development), 3B (Community Mobility), 3C (Local Roads), 5A (Regional Workforce), 5B (Community Vitality), 5C (Local Businesses)

Land Use/Community Development Block Grants

- Legislation or administrative actions that would change the Community Development Block Grant criteria to increase the amount and frequency of application/funding cycles for communities like Santa Cruz County.
Strategic Plan elements: 2B (Community Development), 4B (Natural Resources), 5B (Community Vitality), 6D (Continuous Improvement)

Health and Human Services

Lifting Santa Cruz County residents from the margins and providing them opportunities to succeed is a top priority, and one in three County residents depend on County services in some form or another. The County looks forward to continued leadership in providing a range of health and human services to residents regardless of status, particularly among vulnerable populations. The County also seeks to be a public health leader by working to assure healthy neighborhoods and populations across all socioeconomic boundaries. The County is particularly interested in funding for Homeless Services and Mental Health Care, as well as a solution to the fiscal funding cliff and long-term financial security for Community Health Centers

Health Services/Access to Health Care

- Funding for local health jurisdictions to expand community-based home visits to support child health and wellness, disease management, skilled nursing and more, including funding for the development of technical assistance and support from California Department of Public Health to promote quality and accountability of home-visiting programs.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience)
- Health care expansion and the principles of access to care, coverage for preexisting conditions, preventative care, the transformation of health care delivery and more.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience)
- Measures and funding proposals that provide for the continued expansion of County and community Federally Qualified Health Clinics (FQHCs).
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)
- Programs and funding at the State and federal level encouraging greater coordination of physical and behavioral health services and social services to beneficiaries, as well as State efforts to secure or renew federal waivers that provide funding and flexibility to pilot or continue innovative practices aimed at improving community health and well-being.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6D (Continuous Improvement)
- Service systems for individuals who have an acquired brain disorder, traumatic brain injury, dementia or Alzheimer's to ensure that those individuals, who often fall outside existing service systems, have access to needed services, as well as a study committee to address gaps in existing services systems to assist these individuals.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6D (Continuous Improvement)
- Certification processes for Peer Support Services and making those services eligible for Medi-Cal reimbursement.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6D (Continuous Improvement)

- Actions by the Centers for Medicare and Medicaid Services (CMS), Congress, or the Legislature to deny, reduce, cap, or eliminate MAA/TCM reimbursement or to make claiming more administratively burdensome.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6D (Continuous Improvement)

Health Services/Administration

- Burdensome reporting requirements in areas not beneficial to the County or patients, both in federal managed care regulations from Medicaid and State data reporting requirements.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6D (Continuous Improvement)

Health Services/Public Health

- Legislation to provide continued funding and support for core local public health services and public health laboratories, and the distribution of federal funding to state and local health departments in order to maintain and build core public health infrastructure.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6C (County Infrastructure), 6D (Continuous Improvement)

- Development and retention of a skilled and diverse Public Health Workforce through both state and federal advocacy efforts. Support partnerships with universities and community colleges to develop viable public health workforce programs and incentives.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 5D (Educational Opportunity), 6A (Customer Experience), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

- Elimination of barriers to good health and the equitable distribution of resources necessary for California's diverse population, including vulnerable communities, as well as efforts to understand the health impacts of discrimination and bias.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health)

- Flexible state and federal funding and resources directed at building the capacity of local public health departments to combat and control communicable diseases.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

- Funding to address the nationwide opioid epidemic, prescriber education programs on the risks and benefits of opioids and their alternatives, and prescribing guidelines aimed at reducing the risk of addiction.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 5D (Educational Opportunity), 6C (County Infrastructure), 6D (Continuous Improvement)

- Injuries prevention for California residents, including but not limited to fall prevention programs, child passenger safety programs, youth & gang violence prevention, and intimate partner/domestic violence programs.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Mitigation of impacts from climate change on human health, including increased respiratory and cardiovascular disease, injuries and premature deaths related to extreme weather events, changes in the prevalence and geographical distribution of food and water borne illnesses and other infectious diseases, and threats to mental health, particularly for disadvantaged communities most vulnerable to the effects of climate change.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 2B (Community Development), 4D (Climate change)

Health Services/Family Services

- Reduction in inequities in maternal, infant, and child health and designed to maximize the health and quality of life for all women, infants, children, adolescents, and their families in California.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health)

- Trauma-informed practices into both newly proposed or existing programs and services provided to women, infants, children and adolescents.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Policies and programs to reduce teen and unplanned pregnancy and assist with family planning, including access to contraception.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6C (County Infrastructure), 6D (Continuous Improvement)

Health Services/Behavioral Health

- Removal of the Institute for Mental Disease exclusion on inpatient mental health services provided at facilities greater than 16 beds, which prevents Medicaid Federal Funds from supporting the program.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1C (Local Justice), 1D (Behavioral Health)

- Local health agencies capacity to reduce and prevent substance use disorder (SUD) related problems, including the protection of SAMHSA block grant funding for prevention.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1C (Local Justice), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Reductions in SUD disparities in communities and populations at highest risk for SUD, including communities of color, rural communities, LGBTQ, homeless, or justice-involved populations.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1C (Local Justice), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Legislation making a range of substance use disorder SUD treatment services available to adolescents.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1C (Local Justice), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Legislation that allows for better integration of substance use disorder treatment and physical healthcare.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6D (Continuous Improvement), 6C (County Infrastructure), 6D (Continuous Improvement)

- Professional development for substance use disorder clinicians and other professionals, including incentives and partnerships for recruitment and retention.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

Health Services/Drug and Alcohol Abuse

- Alcohol or other drug mitigation fees with funding dedicated to prevention and treatment services.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1C (Local Justice), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Studies on the impacts of cannabis use and legalization on public health, particularly epidemiological surveillance of youth and adult cannabis use and on the impacts of use on infant and youth brain development.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health)

- Programs addressing responsible cannabis use including increased youth prevention and education funding, funding for drugged driving prevention campaigns, and efforts to mitigate community-level harms such as overconcentration or clustering with alcohol and tobacco retailers.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6C (County Infrastructure), 6D (Continuous Improvement)

- Efforts to prevent or reduce the use of tobacco and its accompanying health and economic impacts on the state and its residents.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 2B (Community Development), 6C (County Infrastructure)

- Efforts to reduce secondhand smoke exposure in our communities.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 2B (Community Development), 6C (County Infrastructure)

- Efforts to prevent youth access to all tobacco products, including electronic smoking devices and flavored tobacco products including menthol.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health)

- Efforts to mitigate community-level harms for communities disproportionately impacted by tobacco.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 2B (Community Development), 6C (County Infrastructure)

Health Services/Dental Health

- Proposals to expand access to dental health services for low-income Californians.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6B (County Workforce)
- Increased Denti-Cal reimbursement levels to encourage qualified dentists to participate in providing care to low-income children.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6B (County Workforce), 6D (Continuous Improvement)
- Water fluoridation efforts.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6C (County Infrastructure)
- Dental health education program expansions, including additional funding.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 5D (Educational Opportunity), 6B (County Workforce), 6D (Continuous Improvement)

Health Services/Emergency Medical Services

- Maintenance of existing laws and regulations governing the role of counties in the oversight of pre-hospital emergency medical services including ambulance services and quality assurance, including proposals to enhance counties' authority and increase funding for such oversight.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6D (Continuous Improvement)
- Efforts to limit the authority of the local Emergency Medical Services Medical Director over pre-hospital patient care including disciplinary actions over licensed or certified personnel.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6B (County Workforce), 6D (Continuous Improvement)
- Legislation that will enhance the provision of emergency and/or trauma services and increase funding for the various components of emergency and trauma care systems, including operations, equipment, infrastructure, ancillary services, public health interventions, and physician reimbursements.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

Health Services/Environmental Health

- Legislation and funding that promotes safe and healthy living and working environments for all California residents, including scientifically proven efforts that prevent or reduce community exposure to toxins and other environmental contaminants that impact human health.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 4C (Local Conservation), 5A (Regional Workforce), 5C (Local Businesses), 6A (Customer Experience), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

- Legislation and regulatory efforts to protect and ensure the quality and safety of California’s food and water supply, without shifting cost from State to counties and with additional funding provided to counties.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 4B (Natural Resources), 4C (Local Conservation), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

- Efforts to promote the development of safe “alternative water” sources, e.g., recycled water, storm water, rainwater, and gray water, for both outdoor and indoor use.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 2B (Community Development), 4B (Natural Resources), 4C (Local Conservation), 5C (Local Businesses), 6C (County Infrastructure), 6D (Continuous Improvement)

Health Services/Health Information Technology

- Proposals to provide funding to support infrastructure and the staff development necessary to support the meaningful use of health information data, particularly the development of health information to advance understanding and improvement in population health strategies.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)

- Efforts, consistent with federal statutes and regulations, to allow bi-directional information sharing across county systems as well as with external partners in order to improve system efficiency.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)

Human Services/Program Funding

- Full funding of County-administered human services programs.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)

- Reduction in federal funding for Medicaid administration or benefits, including efforts to place a per-capita cap on funding or limiting the ability of states to leverage funds through assessments on providers.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6D (Continuous Improvement)

Human Services/CalFresh Eligibility

- Enhanced and expanded food access through programs that include, but not limited to, delivery services, direct certification of vulnerable populations such as students and their families, people experiencing homelessness, immigrants, and survivors of natural disasters.

Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6A (Customer Experience), 6D (Continuous Improvement)

- Legislation that would grant CalFresh eligibility to all former foster youth, age 26 and under, that receive Medi-Cal.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 6A (Customer Experience), 6D (Continuous Improvement)
- Legislation to direct the California Department of Social Services to seek a federal waiver to allow county Human Services agencies to process CalFresh applications of jail inmates and suspend, rather than terminate, CalFresh eligibility when a recipient is detained in county jail for a period of less than a year.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1C (Local Justice), 6A (Customer Experience), 6D (Continuous Improvement)

Human Services/In-Home Supportive Services

- Full IHSS funding through methodology and assumptions that enable counties to properly administer the IHSS program on the State's behalf.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6B (County Workforce), 6D (Continuous Improvement)
- Funding to counties for a back-up IHSS Provider (caregiver) system to match the needs of IHSS Recipients when their Providers use their paid sick leave.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6B (County Workforce), 6D (Continuous Improvement)

Human Services/CalWORKs

- Legislation that would provide a funding methodology and assumptions that enable counties to properly administer the CalWORKs program on the State's behalf, including county administration, services, and childcare.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)
- Legislation providing a diaper special need payment to all CalWORKs families with children up to 36 months and/or have a child over 36 months who has a medical need.
Strategic Plan elements: 1B (Community Support)

Human Services/Child Welfare

- Federal funding to provide services and income support needed by parents seeking to reunify with children who are in foster care.
Strategic Plan elements: 1B (Community Support)
- Increased funding for programs that assist foster youth in the transition to self-sufficiency, including post-emancipation assistance such as secondary education, job training, and access to health care.
Strategic Plan elements: 1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 5D (Educational Opportunity), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)

- Retention of the entitlement nature of the Title IV-E Foster Care and Adoption Assistance programs and eliminating outdated rules that begin with a determination of the child and family's ability to qualify for the former Aid to Families with Dependent Children (AFDC) program.
Strategic Plan elements: *1B (Community Support)*
- Flexibility in timing and funding for implementation of the Families First Preservation Services Act (FFPSA) to address child maltreatment as upstream as possible (primary prevention) under this act.
Strategic Plan elements: *1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)*
- Service needs of youth who are victims of commercial sexual exploitation.
Strategic Plan elements: *1B (Community Support), 1C (Local Justice), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6D (Continuous Improvement)*

Human Services/Adult and Disability Services

- State funding for Adult Protective Services training and permanent funding item in the State budget. A temporary increase expires at the end of 2019.
Strategic Plan elements: *1B (Community Support), 1D (Behavioral Health), 6B (County Workforce), 6D (Continuous Improvement)*
- Confidentiality for adult protective services social workers, including DMV confidentiality, to ensure their safety on the job.
Strategic Plan elements: *1B (Community Support), 1D (Behavioral Health), 6B (County Workforce)*
- Ability of counties to provide at-risk adults who have cognitive impairment including substantial developmental disability diagnosed after age 18 with treatment and services like those that other at-risk adults receive through existing safety-net programs.
Strategic Plan elements: *1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)*

Child Support Services/Child Welfare

- Legislative, budget or administrative action to fully fund State and County child support.
Strategic Plan elements: *1A (Health Equity), 1B (Community Support), 1D (Behavioral Health), 6A (Customer Experience), 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)*
- Legislation that will lead to broader interagency data sharing with Local Child Support Agencies ("LCSAs") and the Department of Child Support Services to help facilitate the provision of services through a "No Wrong Door" approach.
Strategic Plan elements: *1A (Health Equity), 1B (Community Support), 6A (Customer experience), 6D (Continuous Improvement)*
- Legislative, budget or administrative action that promotes access to appropriate tools and information, including the State Licensing Match System and digital court reporting procedures,

and expanding interagency data sharing to bolster system effectiveness while making the process less cumbersome for custodial and non-custodial parents.

Strategic Plan elements: *1A (Health Equity), 1B (Community Support), 6A (Customer experience), 6D (Continuous Improvement)*

- Legislation which would codify language for administrative adjustment as currently written in Family Code 4007.5, which allows LCSAs to suspend payment obligations for parents to pay child support during a period of incarceration that lasts longer than 90 days through an administrative process.

Strategic Plan elements: *1A (Health Equity), 1B (Community Support), 1C (Local Justice), 6A (Customer experience), 6D (Continuous Improvement)*

Government Operations

Residents expect effective local government, and the County works to meet those expectations through the provision of fair and equitable services, positive customer interactions and prudence when it comes to spending public funds.

Government Operations/Unfunded Mandates

- Action to recover the full amount of post-2004 legislative mandates to help sustain county operations.
Strategic Plan elements: 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)

Legal Process/Public Records Act

- Actions amending Code of Civil Procedure Sec. 2024.020 to prevent parties from circumventing discovery processes through the California Public Records Act.
Strategic Plan elements: 6D (Continuous Improvement)
- Legislation giving local governments authority to recover their costs for staff time, copying and printing costs under the California Public Records Act.
Strategic Plan elements: 6B (County Workforce), 6D (Continuous Improvement)

Legal Process/Grand Juries

- Legislation establishing a process for Civil Grand Juries to be represented by outside counsel and decrease conflicts.
Strategic Plan elements: 6B (County Workforce), 6D (Continuous Improvement)

Government Operations/Public Contracts

- Legislation amending Section 20783 of the Public Contracts Code to increase the threshold to \$100,000, which would be consistent with County practices for professional services and other maintenance.
Strategic Plan elements: 6B (County Workforce), 6C (County Infrastructure), 6D (Continuous Improvement)



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Ryan Coonerty, Third District Supervisor, Zach Friend, Second District Supervisor
(831) 454-2200

Subject: Urgency Ordinance to Temporarily Prohibit No-Fault Evictions Through December 31, 2019

Meeting Date: November 5, 2019

Recommended Action(s):

Adopt an urgency ordinance adding Chapter 8.47 to the Santa Cruz County Code to temporarily prohibit no-fault evictions through December 31, 2019, for properties that will be covered by Assembly Bill 1482, the Tenant Protection Act of 2019.

Executive Summary

Assembly Bill (AB) 1482, the Tenant Protection Act of 2019, was recently signed into law to address a key cause of California's affordable housing crisis by preventing rent gouging and arbitrary evictions. AB 1482 becomes effective on January 1, 2020. It is critical to protect renters in properties that will be covered by AB 1482 from no-fault evictions in advance of AB 1482's effective date to prevent further homelessness and displacement.

Background

On October 8, 2019, Assembly Bill (AB) 1482, the Tenant Protection Act of 2019, was signed into law to address a key cause of California's affordable housing crisis by preventing rent gouging and arbitrary evictions. AB 1482 becomes effective on January 1, 2020. AB 1482 limits rent-gouging in California by placing an upper limit on annual rent increases: either 5% plus inflation or 10 percent of the lowest gross rental rate charged for that dwelling unit at any time during the 12 months prior to the effective date of the increase, whichever is lower. To prevent landlords from engaging in rent gouging by evicting tenants, the bill also requires that a landlord have and state a just cause in order to evict tenants who have occupied the premises for a year. Both the rent cap and the just cause provisions are subject to exemptions including, among others: housing built in the past 15 years and single family residences unless owned by a real estate trust or corporation. The bill sunsets after ten years.

The provisions of the bill would not become operative until a tenant has occupied a rental unit for at least 12 months, and up to 24 months when there are changes in roommates, providing a landlord with ample time to evaluate their tenants. Landlords may still evict tenants for a number of reasons, including failure to pay rent, breach of the lease, and creating a nuisance. Landlords may also evict tenants for a number of reasons that are not the fault of the tenant, such as when the owner or their family intend to occupy the property, if they want to withdraw the property from the rental market, or if they intend to substantially remodel the property.

Analysis

The County of Santa Cruz is experiencing a housing affordability crisis, which is driving homelessness and displacement of residents. Many of our County's renters are rent burdened, paying over 30 percent of their income on rent, and some renters are severely rent burdened, paying over 50 percent of their income on rent. This leaves less money for families to spend on other necessities like food, healthcare, transportation, and education.

There is a financial incentive for landlords to evict long-term, lower-income tenants, without cause, to raise rents and attract wealthier tenants, before AB 1482 becomes effective. This gap in protection for renters comes at a particularly difficult time for local low-income families who have just endured the costs and in some cases loss of income due to PG&E's recent power shut-offs. The Legislature and the Governor have already approved AB 1482. In order to prevent displacement of tenants, it is imperative that the County adopt temporary protections to keep people housed.

The attached ordinance mirrors the regulations of AB 1482 and protects our residents from no-fault evictions in the period before AB 1482 goes into effect.

Strategic Plan Element(s)

2. A., D. Attainable Housing: Affordable Housing, Homelessness

Submitted by:

Ryan Coonerty, Third District Supervisor, Zach Friend, Second District Supervisor

Attachments:

- a Ordinance Temporarily Prohibiting No-Fault Evictions through December 31, 2019
- b Assembly Bill No. 1482

ATTACHMENT A

ORDINANCE NO. _____

**ORDINANCE ADDING CHAPTER 8.47 TO THE SANTA CRUZ COUNTY CODE TO
TEMPORARILY PROHIBIT NO-FAULT EVICTIONS THROUGH DECEMBER 31,
2019, FOR RESIDENTIAL PROPERTY BUILT PRIOR TO JANUARY 1, 2005**

The Board of Supervisors of Santa Cruz County hereby finds and declares the following:

WHEREAS, the County of Santa Cruz is experiencing a humanitarian crisis of homelessness and is one of the least affordable communities in the world; and

WHEREAS, the State of California recently enacted the Tenant Protection Act of 2019, Assembly Bill (AB) 1482, an act adding and repealing various sections of the California Civil Code, effective beginning January 1, 2020, to prohibit owners of residential rental property from evicting tenants without “just cause” or increasing rents beyond statutorily-imposed limits; and

WHEREAS, the County of Santa Cruz is experiencing a housing affordability crisis, which is driving homelessness and displacement of residents; and

WHEREAS, many of the County’s renters are rent-burdened, paying over 30 percent of their income on rent, and some renters are severely rent-burdened, paying over 50 percent of their income on rent, which leaves less money for families to spend on other necessities like food, healthcare, transportation, and education; and

WHEREAS, AB 1482 will provide renter protections to countless households in the County of Santa Cruz; and

WHEREAS, in advance of the implementation of AB 1482, no-fault eviction notices and threats of eviction have surged in Los Angeles, another community with high costs and low affordability, necessitating similar local legislative action in response; and

WHEREAS, the lack of immediate protection for renters comes at a particularly difficult time for low-income families who have just endured the costs and other impacts of PG&E’s power shut-offs; and

WHEREAS, the Board has determined that it is appropriate to add Chapter 8.47 to the Santa Cruz County Code to temporarily prohibit no-fault evictions through December 31, 2019, for residential real property in the unincorporated area of the County of Santa Cruz built prior to January 1, 2005, in order to prevent homelessness and displacement that may result from the ills AB 1482 was designed to prevent;

NOW THEREFORE the Board of Supervisors of Santa Cruz County hereby ordains as follows:

SECTION I

Chapter 8.47 is hereby added to the Santa Cruz County Code, to read as follows:

Chapter 8.47 TEMPORARY PROHIBITION ON NO-FAULT EVICTIONS

Sections:

8.47.010 Purpose.

8.47.020 Definitions.

8.47.030 Temporary prohibition on no-fault evictions.

8.47.040 Application.

8.47.050 Severability.

8.47.010 Purpose.

On October 8, 2019, Assembly Bill 1482 ("AB 1482"), the Tenant Protection Act of 2019, was passed to address a key cause of California's affordable housing crisis by preventing rent gouging and arbitrary evictions. AB 1482 becomes effective on January 1, 2020. This chapter will temporarily prohibit no-fault evictions through December 31, 2019, for residential real property that will be covered by AB 1482 beginning on January 1, 2020.

8.47.020 Definitions.

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section.

- (A) "Owner" means any person, acting as principal or through an agent, offering residential real property for rent, and includes a predecessor in interest to the owner.
- (B) "Residential real property" means any dwelling or unit that is intended or used for human habitation.
- (C) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

8.47.030 Temporary prohibition on no-fault evictions.

(A) Through December 31, 2019, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of residential rental property shall not terminate the tenancy without at-fault just cause, which shall be stated in the written notice of termination of tenancy. This prohibition shall also apply to an owner's action that constitutes constructive eviction under California law. An owner's failure to comply with this article shall render any notice of termination of tenancy void. This section may be asserted as an affirmative defense in an unlawful detainer action. Terminations that are required to comply with an order

issued by a government agency or court requiring that the residential real property be vacated, or to comport with due process, federal, or state law, are excepted from this prohibition. An owner's failure to comply with this article does not constitute a criminal offense.

(B) At-fault just cause is the following:

- (1) Default in the payment of rent.
- (2) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the California Code of Civil Procedure, including, but not limited to, violation of a provision of a lease after being issued a written notice to correct the violation.
- (3) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
- (4) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the California Penal Code, on or off the residential real property, that is directed to any owner of the residential real property.
- (5) Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
- (6) The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of the California Civil Code, and Sections 13113.7 and 17926.1 of the California Health and Safety Code.
- (7) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.
- (8) The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the California Code of Civil Procedure.
- (9) When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the California Civil Code of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the owner, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the California Code of Civil Procedure.

(C) This chapter shall not apply to any of the following residential real property or residential circumstances:

- (1) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940 of the California Civil Code.
- (2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
- (3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.
- (4) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.
- (5) Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.
- (6) A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.
- (7) Housing that has been issued a certificate of occupancy within the previous 15 years.
- (8) Residential real property that is alienable separate from the title to any other dwelling unit, provided that the owner is not any of the following:
 - (a) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
 - (b) A corporation.
 - (c) A limited liability company in which at least one member is a corporation.
- (9) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

8.47.040 Application.

This article shall apply to tenancies where the tenant remains in possession and the period of notice required under California Civil Code section 1946.1 has not expired.

8.47.050 Severability.

If any provision of this article is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this article which can be implemented without the invalid provisions, and to this end, the provisions of this article are declared to be severable. The Board of Supervisors hereby declares that it would have adopted this article and each provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.

SECTION II

This ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and Section 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines, because it has no potential for resulting in physical change to the environment, directly or indirectly.)

SECTION III

Effective Date. This ordinance shall take effect immediately as an urgency ordinance. This is based on the Board of Supervisors finding that this ordinance is adopted in compliance with Government Code Section 25123, that it is necessary for the protection of the public peace, health and safety for the reasons contained in the findings set forth at the beginning of this Ordinance, which are incorporated by reference herein, and that it is necessary to prevent the County of Santa Cruz from suffering potentially irreversible displacement of tenants resulting from no-fault evictions during the period before AB 1482 becomes effective.

PASSED AND ADOPTED this __ day of November 2019, by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES:	SUPERVISORS
NOES:	SUPERVISORS
ABSENT:	SUPERVISORS
ABSTAIN:	SUPERVISORS

Chairperson of the Board of Supervisors

Attest: _____
Clerk of the Board

APPROVED AS TO FORM:

GM Head 10/31/19
Office of the County Counsel

cc: Board of Supervisors
County Administrative Office



California

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AB-1482 Tenant Protection Act of 2019: tenancy: rent caps. (2019-2020)

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Date Published: 10/09/2019 09:00 PM

Assembly Bill No. 1482

CHAPTER 597

An act to add and repeal Sections 1946.2, 1947.12, and 1947.13 of the Civil Code, relating to tenancy.

[Approved by Governor October 08, 2019. Filed with Secretary of State
October 08, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1482, Chiu. Tenant Protection Act of 2019: tenancy: rent caps.

Existing law specifies that a hiring of residential real property, for a term not specified by the parties, is deemed to be renewed at the end of the term implied by law unless one of the parties gives written notice to the other of that party's intention to terminate. Existing law requires an owner of a residential dwelling to give notice at least 60 days prior to the proposed date of termination, or at least 30 days prior to the proposed date of termination if any tenant or resident has resided in the dwelling for less than one year, as specified. Existing law requires any notice given by an owner to be given in a prescribed manner, to contain certain information, and to be formatted, as specified.

This bill would, with certain exceptions, prohibit an owner, as defined, of residential real property from terminating a tenancy without just cause, as defined, which the bill would require to be stated in the written notice to terminate tenancy when the tenant has continuously and lawfully occupied the residential real property for 12 months, except as provided. The bill would require, for certain just cause terminations that are curable, that the owner give a notice of violation and an opportunity to cure the violation prior to issuing the notice of termination. The bill, if the violation is not cured within the time period set forth in the notice, would authorize a 3-day notice to quit without an opportunity to cure to be served to terminate the tenancy. The bill would require, for no-fault just cause terminations, as specified, that the owner, at the owner's option, either assist certain tenants to relocate, regardless of the tenant's income, by providing a direct payment of one month's rent to the tenant, as specified, or waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due. The bill would require the actual amount of relocation assistance or rent waiver provided to a tenant that fails to vacate after the expiration of the notice to terminate the tenancy to be recoverable as damages in an action to recover possession. The bill would provide that if the owner does not provide relocation assistance, the notice of termination is void. The bill would except certain properties and circumstances from the application of its provisions. The bill would require an owner of residential property to provide prescribed notice to a tenant of the tenant's rights under these provisions. The bill would not apply to residential real property subject to a local ordinance requiring just cause for termination adopted on or before September 1, 2019, or to residential real property subject to a local ordinance requiring just cause for termination adopted or amended after September 1, 2019, that is more protective than these provisions, as defined. The bill would void any waiver of the rights under these provisions. The bill would repeal these provisions as of January 1, 2030.

Existing law governs the hiring of residential dwelling units and requires a landlord to provide specified notice to tenants prior to an increase in rent. Existing law, the Costa-Hawkins Rental Housing Act, prescribes statewide

limits on the application of local rent control with regard to certain properties. That act, among other things, authorizes an owner of residential real property to establish the initial and all subsequent rental rates for a dwelling or unit that meets specified criteria, subject to certain limitations.

This bill would, until January 1, 2030, prohibit an owner of residential real property from, over the course of any 12-month period, increasing the gross rental rate for a dwelling or unit more than 5% plus the percentage change in the cost of living, as defined, or 10%, whichever is lower, of the lowest gross rental rate charged for the immediately preceding 12 months, subject to specified conditions. The bill would prohibit an owner of a unit of residential real property from increasing the gross rental rate for the unit in more than 2 increments over a 12-month period, after the tenant remains in occupancy of the unit over a 12-month period. The bill would exempt certain properties from these provisions. The bill would require the Legislative Analyst's Office to submit a report, on or before January 1, 2030, to the Legislature regarding the effectiveness of these provisions. The bill would provide that these provisions apply to all rent increases occurring on or after March 15, 2019. The bill would provide that in the event that an owner increased the rent by more than the amount specified above between March 15, 2019, and January 1, 2020, the applicable rent on January 1, 2020, shall be the rent as of March 15, 2019, plus the maximum permissible increase, and the owner shall not be liable to the tenant for any corresponding rent overpayment. The bill would authorize an owner who increased the rent by less than the amount specified above between March 15, 2019, and January 1, 2020, to increase the rent twice within 12 months of March 15, 2019, but not by more than the amount specified above. The bill would void any waiver of the rights under these provisions.

The Planning and Zoning Law requires the owner of an assisted housing development in which there will be an expiration of rental restrictions to, among other things, provide notice of the proposed change to each affected tenant household residing in the assisted housing development subject to specified procedures and requirements, and to also provide specified entities notice and an opportunity to submit an offer to purchase the development prior to the expiration of the rental restrictions.

This bill would authorize an owner of an assisted housing development, who demonstrates, under penalty of perjury, compliance with the provisions described above with regard to the expiration of rental restrictions, to establish the initial unassisted rental rate for units without regard to the cap on rent increases discussed above, but would require the owner to comply with the above cap on rent increases for subsequent rent increases in the development. The bill would authorize an owner of a deed-restricted affordable housing unit or an affordable housing unit subject to a regulatory restriction contained in an agreement with a government agency limiting rental rates that is not within an assisted housing development to establish the initial rental rate for the unit upon the expiration of the restriction, but would require the owner to comply with the above cap on rent increases for subsequent rent increases for the unit. The bill would repeal these provisions on January 1, 2030. The bill would void any waiver of the rights under these provisions. By requiring an owner of an assisted housing development to demonstrate compliance with specified provisions under penalty of perjury, this bill would expand the existing crime of perjury and thus would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This act shall be known, and may be cited, as the Tenant Protection Act of 2019.

SEC. 2. Section 1946.2 is added to the Civil Code, to read:

1946.2. (a) Notwithstanding any other law, after a tenant has continuously and lawfully occupied a residential real property for 12 months, the owner of the residential real property shall not terminate the tenancy without just cause, which shall be stated in the written notice to terminate tenancy. If any additional adult tenants are added to the lease before an existing tenant has continuously and lawfully occupied the residential real property for 24 months, then this subdivision shall only apply if either of the following are satisfied:

(1) All of the tenants have continuously and lawfully occupied the residential real property for 12 months or more.

(2) One or more tenants have continuously and lawfully occupied the residential real property for 24 months or more.

(b) For purposes of this section, "just cause" includes either of the following:

(1) At-fault just cause, which is any of the following:

(A) Default in the payment of rent.

(B) A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the lease after being issued a written notice to correct the violation.

(C) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(D) Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(E) The tenant had a written lease that terminated on or after January 1, 2020, and after a written request or demand from the owner, the tenant has refused to execute a written extension or renewal of the lease for an additional term of similar duration with similar provisions, provided that those terms do not violate this section or any other provision of law.

(F) Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, on or off the residential real property, that is directed at any owner or agent of the owner of the residential real property.

(G) Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(H) The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of this code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.

(I) Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(J) The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

(K) When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

(2) No-fault just cause, which includes any of the following:

(A) (i) Intent to occupy the residential real property by the owner or their spouse, domestic partner, children, grandchildren, parents, or grandparents.

(ii) For leases entered into on or after July 1, 2020, clause (i) shall apply only if the tenant agrees, in writing, to the termination, or if a provision of the lease allows the owner to terminate the lease if the owner, or their spouse, domestic partner, children, grandchildren, parents, or grandparents, unilaterally decides to occupy the residential real property. Addition of a provision allowing the owner to terminate the lease as described in this clause to a new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1).

(B) Withdrawal of the residential real property from the rental market.

(C) (i) The owner complying with any of the following:

(I) An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.

(II) An order issued by a government agency or court to vacate the residential real property.

(III) A local ordinance that necessitates vacating the residential real property.

(ii) If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate under clause (i), the tenant shall not be entitled to relocation assistance as outlined in paragraph (3) of subdivision (d).

(D) (i) Intent to demolish or to substantially remodel the residential real property.

(ii) For purposes of this subparagraph, "substantially remodel" means the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation.

(c) Before an owner of residential real property issues a notice to terminate a tenancy for just cause that is a curable lease violation, the owner shall first give notice of the violation to the tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day notice to quit without an opportunity to cure may thereafter be served to terminate the tenancy.

(d) (1) For a tenancy for which just cause is required to terminate the tenancy under subdivision (a), if an owner of residential real property issues a termination notice based on a no-fault just cause described in paragraph (2) of subdivision (b), the owner shall, regardless of the tenant's income, at the owner's option, do one of the following:

(A) Assist the tenant to relocate by providing a direct payment to the tenant as described in paragraph (3).

(B) Waive in writing the payment of rent for the final month of the tenancy, prior to the rent becoming due.

(2) If an owner issues a notice to terminate a tenancy for no-fault just cause, the owner shall notify the tenant of the tenant's right to relocation assistance or rent waiver pursuant to this section. If the owner elects to waive the rent for the final month of the tenancy as provided in subparagraph (B) of paragraph (1), the notice shall state the amount of rent waived and that no rent is due for the final month of the tenancy.

(3) (A) The amount of relocation assistance or rent waiver shall be equal to one month of the tenant's rent that was in effect when the owner issued the notice to terminate the tenancy. Any relocation assistance shall be provided within 15 calendar days of service of the notice.

(B) If a tenant fails to vacate after the expiration of the notice to terminate the tenancy, the actual amount of any relocation assistance or rent waiver provided pursuant to this subdivision shall be recoverable as damages in an action to recover possession.

(C) The relocation assistance or rent waiver required by this subdivision shall be credited against any other relocation assistance required by any other law.

(4) An owner's failure to strictly comply with this subdivision shall render the notice of termination void.

(e) This section shall not apply to the following types of residential real properties or residential circumstances:

(1) Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940.

(2) Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

(3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

(4) Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.

(5) Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior

accessory dwelling unit.

(6) A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

(7) Housing that has been issued a certificate of occupancy within the previous 15 years.

(8) Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(A) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(B) (i) The tenants have been provided written notice that the residential property is exempt from this section using the following statement:

"This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (d)(5) and 1946.2 (e)(8) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For any tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b).

(9) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

(f) An owner of residential real property subject to this section shall provide notice to the tenant as follows:

(1) For any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant.

(2) For a tenancy existing prior to July 1, 2020, by written notice to the tenant no later than August 1, 2020, or as an addendum to the lease or rental agreement.

(3) The notification or lease provision shall be in no less than 12-point type, and shall include the following:

"California law limits the amount your rent can be increased. See Section 1947.12 of the Civil Code for more information. California law also provides that after all of the tenants have continuously and lawfully occupied the property for 12 months or more or at least one of the tenants has continuously and lawfully occupied the property for 24 months or more, a landlord must provide a statement of cause in any notice to terminate a tenancy. See Section 1946.2 of the Civil Code for more information."

The provision of the notice shall be subject to Section 1632.

(g) (1) This section does not apply to the following residential real property:

(A) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted on or before September 1, 2019, in which case the local ordinance shall apply.

(B) Residential real property subject to a local ordinance requiring just cause for termination of a residential tenancy adopted or amended after September 1, 2019, that is more protective than this section, in which case the local ordinance shall apply. For purposes of this subparagraph, an ordinance is "more protective" if it meets all of the following criteria:

(i) The just cause for termination of a residential tenancy under the local ordinance is consistent with this section.

(ii) The ordinance further limits the reasons for termination of a residential tenancy, provides for higher relocation assistance amounts, or provides additional tenant protections that are not prohibited by any other provision of law.

(iii) The local government has made a binding finding within their local ordinance that the ordinance is more protective than the provisions of this section.

(2) A residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential tenancy and this section.

(3) A local ordinance adopted after September 1, 2019, that is less protective than this section shall not be enforced unless this section is repealed.

(h) Any waiver of the rights under this section shall be void as contrary to public policy.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Owner" and "residential real property" have the same meaning as those terms are defined in Section 1954.51.

(2) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

(j) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

SEC. 3. Section 1947.12 is added to the Civil Code, to read:

1947.12. (a) (1) Subject to subdivision (b), an owner of residential real property shall not, over the course of any 12-month period, increase the gross rental rate for a dwelling or a unit more than 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months prior to the effective date of the increase. In determining the lowest gross rental amount pursuant to this section, any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant shall be excluded. The gross per-month rental rate and any owner-offered discounts, incentives, concessions, or credits shall be separately listed and identified in the lease or rental agreement or any amendments to an existing lease or rental agreement.

(2) If the same tenant remains in occupancy of a unit of residential real property over any 12-month period, the gross rental rate for the unit of residential real property shall not be increased in more than two increments over that 12-month period, subject to the other restrictions of this subdivision governing gross rental rate increase.

(b) For a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the residential real property, the owner may establish the initial rental rate not subject to subdivision (a). Subdivision (a) is only applicable to subsequent increases after that initial rental rate has been established.

(c) A tenant of residential real property subject to this section shall not enter into a sublease that results in a total rent for the premises that exceeds the allowable rental rate authorized by subdivision (a). Nothing in this subdivision authorizes a tenant to sublet or assign the tenant's interest where otherwise prohibited.

(d) This section shall not apply to the following residential real properties:

(1) Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing

subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

(2) Dormitories constructed and maintained in connection with any higher education institution within the state for use and occupancy by students in attendance at the institution.

(3) Housing subject to rent or price control through a public entity's valid exercise of its police power consistent with Chapter 2.7 (commencing with Section 1954.50) that restricts annual increases in the rental rate to an amount less than that provided in subdivision (a).

(4) Housing that has been issued a certificate of occupancy within the previous 15 years.

(5) Residential real property that is alienable separate from the title to any other dwelling unit, provided that both of the following apply:

(A) The owner is not any of the following:

(i) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(ii) A corporation.

(iii) A limited liability company in which at least one member is a corporation.

(B) (i) The tenants have been provided written notice that the residential real property is exempt from this section using the following statement:

"This property is not subject to the rent limits imposed by Section 1947.12 of the Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil Code. This property meets the requirements of Sections 1947.12 (c)(5) and 1946.2 (e)(7) of the Civil Code and the owner is not any of the following: (1) a real estate investment trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3) a limited liability company in which at least one member is a corporation."

(ii) For a tenancy existing before July 1, 2020, the notice required under clause (i) may, but is not required to, be provided in the rental agreement.

(iii) For a tenancy commenced or renewed on or after July 1, 2020, the notice required under clause (i) must be provided in the rental agreement.

(iv) Addition of a provision containing the notice required under clause (i) to any new or renewed rental agreement or fixed-term lease constitutes a similar provision for the purposes of subparagraph (E) of paragraph (1) of subdivision (b) of Section 1946.2.

(6) A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

(e) An owner shall provide notice of any increase in the rental rate, pursuant to subdivision (a), to each tenant in accordance with Section 827.

(f) (1) On or before January 1, 2030, the Legislative Analyst's Office shall report to the Legislature regarding the effectiveness of this section and Section 1947.13. The report shall include, but not be limited to, the impact of the rental rate cap pursuant to subdivision (a) on the housing market within the state.

(2) The report required by paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(g) For the purposes of this section, the following definitions shall apply:

(1) "Owner" and "residential real property" shall have the same meaning as those terms are defined in Section 1954.51.

(2) "Percentage change in the cost of living" means the percentage change from April 1 of the prior year to April 1 of the current year in the regional Consumer Price Index for the region where the residential real property is located, as published by the United States Bureau of Labor Statistics. If a regional index is not available, the

California Consumer Price Index for All Urban Consumers for all items, as determined by the Department of Industrial Relations, shall apply.

(3) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

(h) (1) This section shall apply to all rent increases subject to subdivision (a) occurring on or after March 15, 2019. This section shall become operative January 1, 2020.

(2) In the event that an owner has increased the rent by more than the amount permissible under subdivision (a) between March 15, 2019, and January 1, 2020, both of the following shall apply:

(A) The applicable rent on January 1, 2020, shall be the rent as of March 15, 2019, plus the maximum permissible increase under subdivision (a).

(B) An owner shall not be liable to the tenant for any corresponding rent overpayment.

(3) An owner of residential real property subject to subdivision (a) who increased the rental rate on that residential real property on or after March 15, 2019, but prior to January 1, 2020, by an amount less than the rental rate increase permitted by subdivision (a) shall be allowed to increase the rental rate twice, as provided in paragraph (2) of subdivision (a), within 12 months of March 15, 2019, but in no event shall that rental rate increase exceed the maximum rental rate increase permitted by subdivision (a).

(i) Any waiver of the rights under this section shall be void as contrary to public policy.

(j) This section shall remain in effect until January 1, 2030, and as of that date is repealed.

(k) (1) The Legislature finds and declares that the unique circumstances of the current housing crisis require a statewide response to address rent gouging by establishing statewide limitations on gross rental rate increases.

(2) It is the intent of the Legislature that this section should apply only for the limited time needed to address the current statewide housing crisis, as described in paragraph (1). This section is not intended to expand or limit the authority of local governments to establish local policies regulating rents consistent with Chapter 2.7 (commencing with Section 1954.50), nor is it a statement regarding the appropriate, allowable rental rate increase when a local government adopts a policy regulating rent that is otherwise consistent with Chapter 2.7 (commencing with Section 1954.50).

(3) Nothing in this section authorizes a local government to establish limitations on any rental rate increases not otherwise permissible under Chapter 2.7 (commencing with Section 1954.50), or affects the existing authority of a local government to adopt or maintain rent controls or price controls consistent with that chapter.

SEC. 4. Section 1947.13 is added to the Civil Code, to read:

1947.13. (a) Notwithstanding Section 1947.12, upon the expiration of rental restrictions, the following shall apply:

(1) The owner of an assisted housing development who demonstrates, under penalty of perjury, compliance with all applicable provisions of Sections 65863.10, 65863.11, and 65863.13 of the Government Code and any other applicable law or regulation intended to promote the preservation of assisted housing, may establish the initial unassisted rental rate for units in the applicable housing development. Any subsequent rent increase in the development shall be subject to Section 1947.12.

(2) The owner of a deed-restricted affordable housing unit or an affordable housing unit subject to a regulatory restriction contained in an agreement with a government agency limiting rental rates that is not within an assisted housing development may establish the initial rental rate for the unit upon the expiration of the restriction. Any subsequent rent increase for the unit shall be subject to Section 1947.12.

(b) For purposes of this section:

(1) "Assisted housing development" has the same meaning as defined in paragraph (3) of subdivision (a) of Section 65863.10 of the Government Code.

(2) "Expiration of rental restrictions" has the same meaning as defined in paragraph (5) of subdivision (a) of Section 65863.10 of the Government Code.

(c) This section shall remain in effect until January 1, 2030, and as of that date is repealed.

(d) Any waiver of the rights under this section shall be void as contrary to public policy.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Redevelopment Successor Agency
(831) 454-2280

Subject: Disposition of 17th & Capitola

Meeting Date: November 5, 2019

Recommended Action:

As the Board for the Santa Cruz County Redevelopment Successor Agency, approve the Affordable Housing and Property Disposition Agreement By and Between the Santa Cruz County Redevelopment Successor Agency and MP Live Oak Associates, L.P., a partnership established by MidPen Housing; authorize the County Administrative Officer to execute the agreement; and take related actions.

Executive Summary

The Office for Economic Development and the Planning Department have been working to dispose of property owned by the former Redevelopment Agency of the County of Santa Cruz (RDA). Through a disposition process that included a Request for Proposals, MidPen Housing was selected as the lead developer for a project to include a 57-unit affordable housing development and two clinics. The recommended action is the third of three actions on today's agenda, which consist of (i) consideration by the Santa Cruz County Redevelopment Successor Agency (RSA) Board of an agreement for the disposition of the property, (ii) consideration by the County of entitlements for development of the property consistent with the disposition process, and finally, (iii) consideration by the County of a commitment of affordable housing funds to the affordable housing portion to the project. In addition, with this action, the County will assume the rights and obligations of the Santa Cruz County Redevelopment Successor Agency (RSA) under the Affordable Housing and Property Disposition Agreement which provides for long-term oversight of the property as an affordable rental project.

Background

The former Redevelopment Agency of Santa Cruz County (RDA) acquired the parcels located near the southwest corner of 17th Avenue and Capitola Road in 1994 and 1997. These parcels became known as the Capitola Road Commercial Site (Site). Through a series of community discussions, a vision for the site evolved by 2010 that would allow it to provide vibrant space for community gathering, housing and economic activity.

When the State eliminated redevelopment agencies in 2011, there was a need to modify plans for the Site. Pursuant to the dissolution laws, the Santa Cruz County Redevelopment Successor Agency (RSA) prepared a Long-Range Property Management Plan (LRPMP) in September 2013 which directed the managed sale of the Site to maximize sale proceeds and long-term economic and community benefit. The LRPMP was approved by the California Department of Finance on August 20, 2014.

On April 20, 2017, a community meeting was convened to gather input to guide the vision for the Site. The community cited affordable housing as a priority and an interest in horizontal mixed-use design. The vision also called for a reference to the history of the Site, preservation of the large live oak tree and a preference for locally-owned businesses and non-profits along with other desires. A request for qualifications (RFQ) was approved by the Board on May 23, 2017 to seek qualified and experienced developers to enter into an exclusive negotiation agreement for the purchase and development of the Site for a mixed-use, neighborhood-serving commercial project.

On August 4, 2017, three responses to the RFQ were received and represented interest from MidPen Housing (MPH), City Ventures, and For the Future Housing. For the Future Housing was subsequently disqualified from the process due to a procedural violation. Upon review of the responses, MPH was selected as the preferred developer.

The MPH proposal included a mixed-use project consisting of an affordable housing project and space for two not for profit community clinics -- Dientes Community Dental Care (Dientes) and Santa Cruz Community Health Centers (SCCHC) (collectively, the Clinics).

On December 5, 2017, the RSA entered into an Exclusive Negotiation Agreement (ENA) with MPH. The ENA provided for the parties to attempt to negotiate an Affordable Housing and Property Disposition Agreement (AHPDA) or other form of agreement that would set forth the terms and conditions for the RSA's sale of a portion of the Site to MPH and a portion to the Clinics.

On December 12, 2017, the Board of Supervisors committed \$315,585 to MPH from the Low- and Moderate-Income Housing Asset Fund (LMIHAF) as predevelopment funding. The funds allowed MPH to conduct studies and develop preliminary designs to enable the project submittal to undergo environmental review. The predevelopment funding was allocated only to the affordable housing portion of such preliminary costs.

Analysis

Redevelopment Successor Agency Disposition of the Site

The role of MPH as the developer is to serve as lead partner with the County to develop a land use plan for the Site incorporating the community vision. MPH has a long history of collaborating with the County and surrounding communities to create affordable housing as well as broader goals set out through community planning initiatives. Working with the Clinics, MPH has developed a proposed mixed-use project for the Site, including interior circulation patterns, exterior site access, fire access to both parcels, infrastructure improvements, common areas and amenities as well as a shared parking plan for the commercial and residential uses (collectively, the Project). Elsewhere on today's agenda, the Board of Supervisors will consider the land use approval for the proposed Project, which was recommended by the Planning Commission on August 28, 2019.

The AHPDA sets forth the terms of the disposition of the Site from the RSA to the partnership established by MPH and the development and subsequent operation of the

Project consistent with the community vision. MPH led the Clinics through the process of negotiation of the AHPDA, and it is anticipated that the Clinics will proceed before the affordable housing project. The AHPDA is structured to map the Site into two parcels, with one parcel to be developed with the affordable housing project, and the second parcel to be further subdivided into two commercial condominiums for use by the Clinics.

The AHPDA contemplates that the affordable parcel and the two commercial condominiums established from the Clinics parcel will be sold to the applicable parties through the same closing transaction. Provided that the Clinics have satisfied certain closing conditions in favor of the RSA that are set forth in the AHPDA, the AHPDA provides for the RSA to enter into a separate disposition agreement with each Clinic for the sale and transfer of the respective condominium, and which will include construction requirements substantially similar to those in the AHPDA. The AHPDA further provides that at the close of escrow, (i) the RSA will assign the separate agreements with the Clinics to the County, and (ii) the County will enter into a regulatory agreement with each of the Clinics that obligates the Clinics to operate their respective Clinic and maintain their respective condominium for 15 years. The AHPDA's closing conditions in favor of the RSA include that the partnership established by MPH and the Clinics have entered into a series of agreements establishing access easements and setting forth the mechanism for ensuring construction, payment, and maintenance of the necessary common infrastructure.

The purchase price of the property has been determined through an appraisal report dated December 3, 2018 prepared by Valbridge Property Advisors as \$3,525,000. MPH will pay the portion of the appraised value that is attributable to the affordable housing development, which is \$2,850,000. The balance will be divided equally between the Clinics, with each of Dientes and SCCHC paying \$337,500 for their individual condominiums. These amounts will be paid at close of escrow based on certain performance provisions, and the net sales proceeds will be distributed to the affected taxing entities in proportion to their respective shares of taxes derived from the Site.

If approved by the RSA, the RSA's approval of the AHPDA is scheduled to be presented to the Santa Cruz County Consolidated Redevelopment Oversight Board at its January 2020 meeting for final approval. The AHPDA is included as Exhibit 1. A Schedule of Performance is incorporated into the AHPDA as Attachment 3.

County Funding of Affordable Housing Project

MPH is proposing a 57-unit affordable rental project with a mix of one, two- and three-bedroom rental apartments (one of which units would be an unrestricted manager's unit). One hundred percent of the rental units in the project will target Low Income households with household incomes ranging from 30% of the Area Median Income (AMI) to 80% of AMI, with the deepest affordability mix sustainable. MPH expects to seek federal Low-Income Housing Tax Credits for the project and will seek additional funding for the project through the Federal Home Loan Bank and the No Place Like Home Program for the project that is expected to total nearly \$38 million. MPH will also seek Project Based Vouchers through the Housing Authority of the County of Santa Cruz for approximately twenty-five of the homes.

The County requires affordable housing projects receiving County funding to provide a preference for households that live or work in Santa Cruz County. MPH has requested that the County permit MPH to provide an additional live-work preference for households that live or work in Live Oak. MPH has undertaken legal analysis that supports such a preference on the basis of the County and Live Oak having comparable demographics. All 56 of the rental units in the Project will be subject to the County's general live/work preference; the 25 units with Project Based Vouchers are available to a narrower subset of applicants through the Housing Authority, 15 units will have the Live Oak preference, and the remaining 16 units will be open to qualifying households who live or work in Santa Cruz County. As always, MPH will select tenants through a random drawing process subject to fair housing laws.

Redevelopment dissolution legislation provides for the retention and re-use of redevelopment housing funds placed into the LMIHAF. Use of the LMIHAF was clarified in 2013 through SB 341, which limits the use of redevelopment reuse funds to the production of affordable housing, certain administrative costs and limited support of homelessness prevention activities. The Housing Successor must ensure that every five years, commencing with the FY 2014-2015 to FY 2018-2019 five-year period, at least 30% of the LMIHAF is expended for the development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income. The funding allocation proposed pursuant to the AHPDA is consistent with this requirement.

The County is also required by SB 341 to report annually to the State of California on any Excess Surplus. The report received by the Board of Supervisors on March 26, 2019 and subsequently filed with the State reported that the LMIHAF does have Excess Surplus in the amount of \$1,088,673 and is required to timely encumber the funds to produce affordable housing or it risks losing the funds. Recommended funding for the project of \$5.0 million will resolve the Excess Surplus.

Financial Impact

Sale of the property will result in proceeds of \$3,525,000.00 which will be distributed to the affected taxing entities. \$5,000,000.00 from the Low-and Moderate-Income Housing Asset Fund (Fund 21-030-001) is budgeted for this purpose.

Strategic Plan Element(s)

- 1.A (Comprehensive Health & Safety: Health Equity)
- 2.A (Attainable Housing: Affordable Housing)
- 2.B (Attainable Housing: Community Development)
- 2.C (Attainable Housing: Local Inventory)
- 2.D (Attainable Housing: Homelessness)
- 4.A (Sustainable Environment: Outdoor Experience)
- 5.A (Dynamic Economy: Regional Workforce)
- 5.B (Dynamic Economy: Community Vitality)

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Edith Driscoll, Auditor-Controller-Treasurer-Tax Collector

Attachments:

- a Affordable Housing and Property Disposition Agreement

AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT

By and Between

SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

and

MP LIVE OAK ASSOCIATES, L.P.

Dated as of January __, 2020

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT

THIS AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT (the “**Agreement**”) is made and entered into as of January __, 2020 (the “**Effective Date**”), by and between the SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY, a public body, corporate and politic (the “**Successor Agency**”), and MP LIVE OAK ASSOCIATES, L.P., a California limited partnership (the “**Developer**”). Successor Agency and Developer are sometimes referred to hereinafter individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Successor Agency is a California entity, established pursuant to Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature, to wind up the affairs of, including the disposition of real property owned by, the former Redevelopment Agency of the County of Santa Cruz.

B. Developer is a California limited partnership. Developer was established to develop and operate safe, decent affordable housing in Northern California.

C. Successor Agency owns fee title to certain real property addressed as 1412, 1438, 1500, and 1514 Capitola Road, in the County of Santa Cruz, State of California, as legally described in Attachment No. 1, which is incorporated herein by this reference (the “**Capitola Property**”).

D. Pursuant to the Long Range Property Management Plan prepared by the County of Santa Cruz (the “**County**”), which was approved by the California Department of Finance on August 20, 2014 (the “**LRPMP**”), the Capitola Property was to be retained for future development via a managed sale to maximize sale proceeds and long-term economic and community benefit.

E. In 2017, the County issued a Request for Qualifications (RFQ# 16Q1-007) for disposition of the Property. After review of all of the proposals submitted, County selected MidPen Housing Corporation, a California nonprofit 501(c)(3) corporation (“**MidPen**”) that specializes in the development and operation of affordable housing projects in the State of California, for potential disposition of the Capitola Property for a mixed-use development containing a multifamily affordable housing component, a commercial component that includes a community health clinic and a dental clinic, and an open space component (the “**Capitola Project**”). The sole member/manager of Developer is Mid-Peninsular San Carlos Corporation, a California nonprofit public benefit corporation, which is a wholly controlled affiliate of MidPen.

F. On or about December 5, 2017, (i) Successor Agency and MidPen entered into that certain Exclusive Negotiation Agreement (the “**ENA**”), pursuant to which, among other things, Successor Agency and MidPen agreed to attempt to negotiate an agreement that would set forth the terms and conditions for Successor Agency’s sale of a portion of the Capitola Property to MidPen, a portion of the Capitola Property to Dientes Community

Dental Care, a California nonprofit public benefit corporation and federally-qualified health center sub-recipient (“**Dientes**”), and a portion of the Capitola Property to Santa Cruz Community Health Centers, a California nonprofit public benefit corporation and federally-qualified health care center (“**SCCHC**”); and (ii) the County and MidPen entered into that certain Predevelopment Loan Agreement and Promissory Note, pursuant to which the County agreed to provide to MidPen a loan in an amount up to Three Hundred Fifteen Thousand Five Hundred Eighty-Five Dollars (\$315,585) (the “**Predevelopment Agreement**” or “**Predevelopment Loan**,” as applicable). Each of the ENA and Predevelopment Agreement is available for public inspection at the offices of Successor Agency and County, located at 701 Ocean Street, Santa Cruz, CA 95060.

G. The sale of portions of the Capitola Property to Developer, Dientes, and SCCHC, for such entities’ development and subsequent operation of the respective portions of the Capitola Project on the Capitola Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are (i) in furtherance of Successor Agency’s mandate pursuant to the LRPMP to dispose of the Capitola Property in a manner that maximizes revenue to the taxing entities, and County’s goals to increase the supply of permanent affordable housing in the County of Santa Cruz, (ii) in the vital and best interests of the County and the welfare of its residents, and (iii) in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements under which the Capitola Project has been undertaken.

H. As further described herein, Successor Agency’s purpose in entering into this Agreement is solely to dispose of the Capitola Property in furtherance of the LRPMP, and all other duties of Successor Agency hereunder are intended to be performed by the County, notwithstanding that the County is not a party to this Agreement and will not legally assume the rights and obligations of Successor Agency hereunder until such time as the Capitola Property has been disposed of pursuant to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises, covenants, and conditions herein contained, Successor Agency and Developer hereto agree as follows:

1. DEFINITIONS

As used in this Agreement, capitalized terms are defined where first used or as set forth in this Section 1. Capitalized terms used in an attachment attached hereto and not defined therein shall also have the meanings set forth in this Section 1.

“**Affiliate**” mean any “Person,” directly or indirectly, “Controlling” or “Controlled” by or under common “Control” with Developer, whether by direct or indirect ownership of equity interests, by contract or otherwise, where “**Person**” means any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind, “**Control**” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership

of equity interests, by contract or otherwise, and “**Controlling**” and “**Controlled**” means exercising or having Control.

“**Annual Financial Statement**” means the financial statements prepared by Developer for each calendar year, including a balance sheet, income statement, statement of retained earnings, statement of cash flow, and footnotes thereto, prepared in accordance with generally accepted accounting principles consistently applied, as audited by an independent certified public accountant.

“**Building Permit**” means all permits issued by the County and required for commencement of construction of the Project.

“**Capitola Project**” means (i) Developer’s development of the Project on the Property; (ii) Dientes’ development of the Dientes Component of Capitola Project on the Dientes Condominium; and (iii) SCCHC’s development of the SCCHC Component of Capitola Project on the SCCHC Condominium.

“**Capitola Property**” means that certain real property referred to in Recital A and legally described and depicted in Attachment No. 1, which is attached hereto and incorporated herein by this reference. The Capitola Property comprises approximately three and six tenths (3.6) acres.

“**CDLAC**” means the California Debt Limit Allocation Committee.

“**CEQA**” means the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.*

“**CEQA Claims**” means any appeals or protests (including litigation) taken or filed with respect to Successor Agency or the County’s findings, determinations, and/or certifications pursuant to CEQA in connection with Successor Agency’s approval of this Agreement and in connection with the County’s approval, conditional approval, or denial, of the Land Use Entitlements.

“**Clinic Parcel**” means the legal parcel to be established by the Parcel Map, which legal parcel shall (i) include all portions of the Capitola Property that are not a part of the Property, and (ii) be subdivided into a Condominium development.

“**Clinic Parcel CC&Rs**” means the declaration of covenants, conditions and restrictions for the commercial Condominium project to be located on the Clinic parcel and prepared by the Clinics in connection with the Condominium Plan.

“**Clinics**” means, collectively, SCCHC and Dientes.

“**Close of Escrow**” means recordation of the Grant Deed in the Official Records, conveying the Property to Developer and, except in the event of an early closing permitted pursuant to Section 2.2(a) below, the closing of the Project Financing.

“Common Area” means the entire common interest development located on the Clinic Parcel except the separate interests as shown on the Condominium Plan and described in the Clinic Parcel CC&Rs, which shall be owned by the unit owners as undivided interests-in-common in accordance with California Civil Code Section 6542.

“Condominium” means an estate in real property as defined in California Civil Code Sections 783 and 6542. A Condominium consists of an undivided equal ownership interest in a portion of the real property shown on the recorded Condominium Plan as “common area,” together with a separate ownership interest in a “unit” as shown on the recorded Condominium Plan and as described in the recorded Clinic Parcel CC&Rs.

“Condominium Plan” means a condominium plan to be prepared by the Clinics and processed by Developer through the County to subdivide the Clinic Parcel into a Condominium project with two (2) Condominiums. Provided the Condominium Plan and the Clinic Parcel CC&Rs conform to the requirements of this Agreement, and provided the conveyance and development contemplated thereon are in accordance with this Agreement, Successor Agency agrees to (i) sign and record the Condominium Plan as the fee owner of the Clinic Parcel, (ii) consent to the Clinic Parcel CC&Rs as the owner of the Clinic Parcel, and (iii) execute and record grant deeds for each Condominium. Successor Agency and Developer contemplate that the Condominium Plan will subdivide the Clinic Parcel in the manner depicted in Attachment No. 2, which is attached hereto and incorporated herein by this reference.

“Construction Contract” has the meaning set forth in Section 7.2(f) of this Agreement.

“Construction Lender” means the lender that provides construction financing for the Project. If the Project is financed through issuance of the Tax-Exempt Bonds, then Construction Lender shall be understood to mean the institution or institutions that hold such Tax-Exempt Bonds through the construction period (e.g., until the Conversion Date). The Construction Lender may or may not also be the Take-Out Lender. The Construction Lender shall be an Institutional Lender.

“Construction Loan” means the construction loan for the Project secured by the Construction Loan Security Documents, in the approximate amount of Twenty-Seven Million Dollars (\$27,000,000). If the Project is financed through issuance of the Tax-Exempt Bonds, then Construction Loan shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“Construction Loan Security Documents” means the documents and instruments required by the Construction Lender to secure the Construction Loan.

“Conversion Date” has the meaning set forth in the Construction Loan Security Documents, or, if such term is not defined therein, means the date the Construction Loan converts from a construction loan to a permanent loan.

“Cost Sharing Agreement” means an agreement to be entered into by and among Developer, Dientes, and SCCHC, which provides for the design, construction, and

installation of, and the payment for, the infrastructure required to serve the Capitola Property and Capitola Project, including, without limitation, wet and dry utilities, public streets, drainage facilities, drive aisles, parking and walkway areas, street lighting, and common area landscape and irrigation.

“County” means the County of Santa Cruz, California.

“County Administrative Officer” means the person duly appointed to the position of County Administrative Officer of the County, or his or her designee. The County Administrative Officer shall represent Successor Agency in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by Successor Agency, the County Administrative Officer is authorized to act unless this Agreement specifically provides otherwise or the context should otherwise require.

“County Deed of Trust” means a form of deed of trust encumbering the Property, substantially in the form attached hereto and incorporated herein as Attachment No. 8, to secure repayment of the County Note.

“County/Lender Subordination Agreement” means, with respect to the Close of Escrow, (i) a subordination agreement between the County and the Construction Lender, pursuant to which the County agrees to subordinate the County Deed of Trust to the Construction Loan Security Documents, and the Construction Lender agrees to subordinate the Construction Loan Security Documents to the County Regulatory Agreement, and, with respect to the closing of the Take-Out Loan at conversion, (ii) a subordination agreement between the County and the Take-Out Lender, pursuant to which the County agrees to subordinate the County Deed of Trust to the documents securing the Take-Out Loan, and the Take-Out Lender agrees to subordinate the documents securing the Take-Out Loan to the County Regulatory Agreement.

“County Loan” has the meaning set forth in Section 6.2 of this Agreement.

“County Note” means a promissory note substantially in the form attached hereto and incorporated herein as Attachment No. 7, to be executed by Developer in favor of the County to evidence the obligation of Developer to repay the County Loan.

“County Regulatory Agreement” means a regulatory agreement substantially in the form attached hereto and incorporated herein as Attachment No. 10, which will establish certain restrictive covenants against the Property.

“County Title Policy” has the meaning set forth in Section 7.2(q) of this Agreement.

“Developer” has the meaning set forth in the opening paragraph of this Agreement.

“Developer Title Policy” has the meaning set forth in Section 7.3(f) of this Agreement.

“Dientes” means Dientes Community Dental Care, a California nonprofit public benefit corporation and federally-qualified health center subrecipient.

“Dientes Component of Capitola Project” means Dientes’ development of a two-story dental clinic and administrative offices comprising not less than eleven thousand (11,000) square feet on the Dientes Condominium, and all required on-site improvements necessary to serve the development in accordance with this Agreement.

“Dientes Condominium” means the Condominium (i) to be established pursuant to, and shown on, the Condominium Plan, for development of the Dientes Component of Capitola Project, and (ii) to be described in the Clinic Parcel CC&Rs. Successor Agency and Developer contemplate that the Dientes Condominium shall be (a) established in the manner depicted in Attachment No. 2, and (b) deeded by Successor Agency to Dientes.

“Escrow” means the escrow through which the Close of Escrow is conducted.

“Escrow Holder” means Old Republic Title Insurance Company, with its offices located at 555 12th St., Oakland, CA 94607, or such other escrow company as may be agreed to by Developer and the County Administrative Officer.

“Event of Default” has the meaning set forth in Section 13.1 of this Agreement.

“Final Construction Documents” means the final plans, drawings and specifications upon which the Building Permit is issued.

“General Contractor” has the meaning set forth in Section 7.2(e) of this Agreement.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, requirements, orders and decrees, of the United States, the State of California, the County of Santa Cruz, and of any other political subdivision, agency or instrumentality exercising jurisdiction over Successor Agency, Developer, the Property, and/or the Project, including common law.

“Grant Deed” means a grant deed pursuant to which Successor Agency will convey the Property to Developer, substantially in the form attached hereto and incorporated herein as Attachment No. 5.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “acutely hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501

of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., (xii) methyl-tertiary butyl ether, (xiii) perchlorate or (xiv) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment. For purposes hereof, “Hazardous Materials” excludes materials and substances in quantities as are commonly used in the construction and operation of an apartment complex, provided that such materials and substances are used in accordance with all applicable laws.

“Hazardous Materials Contamination” means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time emanating from the Property.

“HCD” means the State Department of Housing and Community Development.

“HUD” means the United States Department of Housing and Urban Development.

“Indemnitees” means Successor Agency, the County, and their respective directors, officers, officials, members, employees, representatives, agents and volunteers.

“Institutional Lender” means any of the following institutions having assets or deposits in the aggregate of not less than One Hundred Million Dollars (\$100,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an “incorporated admitted insurer” (as that term is used in Section 1100.1 of the California Insurance Code); a “foreign (other state) bank” (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Sections 2600 et seq. of the California Financial Code); a “foreign (other nation) bank” provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or a subsidiary of a bank holding

company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker; college or university; pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; and a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange. Each of Wells Fargo and Union Bank are hereby deemed to be an Institutional Lender.

“Investor” means the limited partner of the Partnership.

“Joint Development, Easement, Joint Use, License and Maintenance Agreement” means an agreement to be entered into by and among Developer, Dientes, and SCCHC, pursuant to which each of Developer, Dientes, and SCCHC shall grant to the other parties, amongst other things, pedestrian and vehicular easements over the common area portions of the Capitola Property owned by such party.

“Land Use Entitlements” has the meaning set forth in Section 4 of this Agreement.

“Land Use Entitlements Approval Date” means the date that all of the Land Use Entitlements have been approved by each required governmental agency with jurisdiction over the Property and/or the construction of the Project, and all appeal and protest periods have expired with no appeals or protests (including litigation) taken or filed (**“Land Use Entitlement Claims”**), or, if any are so taken or filed, then upon the resolution of the Land Use Entitlement Claims upon terms acceptable to each of the County and Developer, each in their respective sole and absolute discretion.

“MidPen” means MidPen Housing Corporation, a California nonprofit public benefit corporation.

“Notice of Affordability” means a Notice of Affordability Restrictions on Transfer of Property substantially in the form attached hereto and incorporated herein as Attachment No. 11, to be executed by County and Developer and recorded in the Official Records to notify members of the public regarding the affordability restrictions for the Project.

“Notices” has the meaning set forth in Section 14 of this Agreement.

“NPDES” means the National Pollutant Discharge Elimination System.

“Official Records” means the Official Records of the County.

“Outside Closing Date” means the earlier of (i) the TCAC deadline to meet the readiness to proceed requirements, as provided to Developer by TCAC upon Developer’s receipt of an allocation of Tax Credits from TCAC, and (ii) December 31, 2021.

“Parcel Map” means a parcel map to be prepared by Developer and processed by Developer through the County to establish the Capitola Property as two legal parcels, with one of such legal parcels to comprise the Property, and the other of such legal parcels to comprise the Clinic Parcel. The Parcel Map will provide that the Clinic Parcel is for condominium purposes. Provided the Parcel Map conforms to the requirements of this Agreement, and the conveyances and development contemplated pursuant to this Agreement, Successor Agency agrees to sign the Parcel Map as the fee owner of the Capitola Property. Successor Agency and Developer contemplate that the Parcel Map will subdivide the Capitola Property in the manner depicted in Attachment No. 2.

“Partnership Agreement” means Developer’s partnership agreement.

“Permitted Encumbrances” means the Construction Loan Security Documents and such other exceptions to title approved by the Planning Director.

“Phase 1” means that certain Phase I Environmental Assessment prepared for the portion of the Property located at 1438 Capitola Road, by Remediation Risk Management, Inc., dated June 6, 1994.

“Planning Director” means the person duly appointed to the position of Planning Director of the County, or his or her designee. At such time as Successor Agency assigns all of its rights and obligations under this Agreement to the County, pursuant to the Successor Agency/County Assignment, (i) all references in this Agreement to the County Administrative Officer shall be deemed to refer instead to the Planning Director, (ii) the Planning Director shall represent the County in all matters pertaining to this Agreement, and (iii) whenever a reference is made herein to an action or approval to be undertaken by the County (as the successor-in-interest to Successor Agency), the Planning Director is authorized to act unless this Agreement specifically provides otherwise or the context should otherwise require.

“Project” means Developer’s development of an affordable rental housing development consisting of fifty-seven (57) residential rental dwelling units (with one of such units an unrestricted manager’s unit), a community center, open space, and all required on-site improvements necessary to serve the development in accordance with this Agreement, including, without limitation, in accordance with the Scope of Development, the Land Use Entitlements, and the Final Construction Documents.

“Project Architect” means Wald, Ruhnke & Dost, or such other architect or architectural firm as may be approved by the County Administrative Officer.

“Project Budget” shall mean that certain budget attached hereto and incorporated herein as Attachment No. 9.

“Project Costs” means all costs of any nature incurred in connection with the planning, design, and development of the Project.

“Project Documents” means, collectively, this Agreement, the County Note, the County Deed of Trust, the County Regulatory Agreement, the Notice of Affordability, and

any other agreement, document or instrument that Developer and Successor Agency or Developer and County (as applicable) enter into pursuant to this Agreement or in order to effectuate the purposes of this Agreement.

“Project Financing” has the meaning set forth in Section 6.1 of this Agreement.

“Property” means the legal parcel to be established for development of the Project pursuant to the Parcel Map. The Parties contemplate the Property will be established in the manner depicted in Attachment No. 2.

“Purchase Price” means the purchase price to be paid by Developer to Successor Agency for the purchase of the Property, which is Two Million Eight Hundred Fifty Thousand Dollars (\$2,850,000). The Purchase Price and the purchase price for each of the SCCHC Condominium and Dientes Condominium were determined pursuant to data set forth in that certain Appraisal Report dated December 3, 2018, prepared by Valbridge Property Advisors, an MAI appraiser.

“Release of Construction Covenants” means a release document substantially in the form attached hereto and incorporated herein as Attachment No. 12, to be executed by the County and recorded in the Official Records against the Property upon Developer’s completion of the Project, as described in Section 10.15.

“Remedial Action Summary Report” means that certain Remedial Action Summary Report prepared for the portion of the Property located at 1438 Capitola Road, by Remediation Risk Management, Inc., dated October 3, 1994.

“Request for Notice” has the meaning set forth in Section 7.2(o) of this Agreement.

“SCCHC” means Santa Cruz Community Health Center, a California nonprofit public benefit corporation and federally-qualified health center.

“SCCHC Component of Capitola Project” means SCCHC’s development of a two-story health care clinic comprising not less than nineteen thousand (19,000) square feet on the SCCHC Condominium, and all required on-site improvements necessary to serve the development in accordance with this Agreement.

“SCCHC Condominium” means the Condominium (i) to be established pursuant to, and shown on, the Condominium Plan, for development of the SCCHC Component of Capitola Project, and (ii) to be described in the Clinic Parcel CC&Rs. Successor Agency and Developer contemplate that the SCCHC Condominium shall be (a) established in the manner depicted in Attachment No. 2, and (b) deeded by Successor Agency to SCCHC.

“Schedule of Performance” means the Schedule of Performance attached hereto and incorporated herein as Attachment No. 3.

“Scope of Development” means the Scope of Development attached hereto and incorporated herein as Attachment No. 4.

“Sources and Uses of Funds Statement” means the Sources and Uses of Funds statement attached to the Project Budget.

“Successor Agency” means the Santa Cruz County Redevelopment Successor Agency, a public body, corporate and politic.

“Successor Agency/County Assignment” has the meaning set forth in Section 15.3 of this Agreement.

“Take-Out Lender” means the lending institution that makes the Take-Out Loan. If the Project is financed through issuance of Tax-Exempt Bonds, then Take-Out Lender shall be understood to mean the institution that holds or institutions that hold such Tax-Exempt Bonds from and after the construction period (e.g., from and after the Conversion Date). The Take-Out Lender may or may not also be the Construction Lender. The Take-Out Lender shall be an Institutional Lender.

“Take-Out Loan” means the long-term loan made by the Take-Out Lender to Developer in order to take out the Construction Loan. If the Project is financed through issuance of Tax-Exempt Bonds, then Take-Out Loan shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“Tax Credits” has the meaning set forth in Section 6.1(b) of this Agreement.

“Tax Credit Program” means the low-income housing tax credit program authorized pursuant to Internal Revenue Code Section 42, California Health and Safety Code Sections 50199.6-50199.19, Revenue and Taxation Code Sections 17057.5, 17058, 23610.4, 23610.5, and applicable federal and State regulations such as 4 California Code of Regulations Sections 10300-10340.

“Tax-Exempt Bonds” means tax-exempt multifamily housing revenue bonds.

“TCAC” means the California Tax Credit Allocation Committee.

“Title Company” means Old Republic Title Insurance Company, with its offices located at 555 12th Street, Oakland, CA 94607, or such other title insurance company as may be agreed to by Developer and the County Administrative Officer.

2. STRUCTURE OF TRANSACTION AND RELATIONSHIP OF PARTIES

2.1 Limited Third Party Rights. The Parties acknowledge and agree that although the Capitola Project contemplates development of the Dientes Component of Capitola Project and the SCCHC Component of Capitola Project, Developer is the only named developer party to this Agreement, and with the exception of the terms and conditions set forth in this Section 2, neither Dientes nor SCCHC shall have any third party rights under this Agreement. Each of Dientes and SCCHC shall be deemed a third party beneficiary of the terms and conditions set forth in this Section with the right, but not the obligation, to enforce said terms and conditions. Notwithstanding the foregoing third party beneficiary rights of the Clinics, however, (i) prior to the Close of Escrow, Successor

Agency retains all rights pursuant to this Agreement to terminate this Agreement, and neither of the Clinics shall have any right, in law or in equity, to challenge any such termination, (ii) if this Agreement is terminated prior to the Close of Escrow, then neither Dientes nor SCCHC shall have any right, at law or in equity, to require Successor Agency to transfer any portion of the Capitola to the respective entity, and (iii) unless and until the Close of Escrow occurs pursuant to the terms of this Agreement, neither Dientes nor SCCHC shall have any right, in law or in equity, to require Successor Agency to transfer any portion of the Capitola Property to the respective entity.

2.2 Early Closing; Partial Termination of Agreement.

(a) This Agreement primarily addresses the transfer and sale of the Property to Developer, and Developer's development and operation of the Project on the Property. In the event, however, that the conditions set forth below in this Section 2.2(a) have been satisfied, or waived by Successor Agency, then Successor Agency shall permit the Close of Escrow to occur, notwithstanding that Developer has not satisfied all of Successor Agency's conditions to closing set forth in Section 7.2. In such event, concurrently with the Close of Escrow and subject to the terms of Section 2.3 below, Successor Agency shall convey to Dientes the Dientes Condominium for a purchase price of Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500), and to SCCHC the SCCHC Condominium for a purchase price of Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500).

(i) Organizational Documents. The Planning Director shall have received and approved a copy of such portions of the organizational documents of the Clinics as the Planning Director deems reasonably necessary to document the power and authority of the Clinics to perform their obligations as set forth in their respective "Subsequent Agreement" (as that term is defined in Section 2.3 below). Each of the Clinics shall have made full disclosure to the Planning Director of the names and addresses of all persons and entities that have a beneficial interest in each respective Clinic.

(ii) Insurance. Each of the Clinics shall have submitted to the Planning Director and the Planning Director shall have approved the Clinics' evidence of the liability insurance required pursuant to Section 10.6 hereof.

(iii) Land Use Entitlements. The County shall have approved all land use entitlements for each of the Dientes Component of Capitola Project and SCCHC Component of Capitola Project, each of the Clinics shall have approved or be deemed to have approved the same, including without limitation all terms and conditions applicable thereto, and the time period for challenges thereto shall have lapsed without any challenges having occurred.

(iv) Evidence of Financing. The Planning Director shall have received and reasonably approved commitments from all financing sources

for the Dientes Component of Capitola Project and SCCHC Component of Capitola Project, as evidenced by letters of commitment and/or true and complete copies of loan documents.

(v) General Contractor. The general contractor for the Dientes Component of Capitola Project and SCCHC Component of Capitola Project (the “**Clinics’ General Contractor**”) shall have been approved by the Planning Director.

(vi) Construction Contract. The Planning Director shall have received a true and complete copy of a contract(s) by and between the Clinics and the Clinics’ General Contractor pursuant to which the Clinics’ General Contractor has agreed to construct the Dientes Component of Capitola Project and SCCHC Component of Capitola Project at a cost consistent with the costs set forth therefor in a budget provided to and approved by the Planning Director (the “**Clinics’ Construction Contract**”) and the Planning Director shall have approved said Clinics’ Construction Contract.

(vii) Final Construction Documents. The Planning Director shall have approved the final construction documents for the Dientes Component of Capitola Project and SCCHC Component of Capitola Project, and the Planning Director shall have received a full set thereof.

(viii) Completion Bond. If the Clinics’ Construction Lender (if any) requires that a completion bond be posted by the Clinics’ General Contractor, then such completion bond shall name the County as a co-obligee.

(ix) Completion Guaranty. If the Clinics’ Construction Lender (if any) requires a completion guaranty from the Clinics, then the County shall have also received a completion guaranty from the Clinics in similar form and content.

(x) Building Permit. The building permit for the each of the Dientes Component of Capitola Project and SCCHC Component of Capitola Project shall have issued or shall be ready to issue subject only to the payment of applicable fees, the posting of required security, or both.

(xi) Construction to Commence. The Planning Director shall be reasonably satisfied that construction of the Dientes Component of Capitola Project and SCCHC Component of Capitola Project will commence not later than thirty (30) days after the Close of Escrow, and thereafter will be pursued to completion in a diligent and continuous manner.

(xii) Assignment of Final Construction Documents. The Clinics shall have conditionally assigned to the County their respective final construction documents for the Dientes Component of Capitola Project and

SCCHC Component of Capitola Project by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, which assignment shall be subordinated to any pledge or assignment to the Clinics' Construction Lender (if any). Each of the Clinics shall have also delivered to the Planning Director the written consent of the other party to each such final construction document to said assignment in the form included as part of said Attachment No. 6, including, without limitation, to the use by the County of said final construction documents, as well as the ideas, designs, and concepts contained within them.

(xiii) Assignment of Construction Contract. The Clinics shall have conditionally assigned to the County their respective Clinics' Construction Contract by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, including obtaining the consent thereto of the Clinics' General Contractor, which assignment shall be subordinated to any pledge or assignment to the Clinics' Construction Lender.

(xiv) Request for Notice of Default. Escrow Holder shall be ready to record a request for notice of default pursuant to Civil Code Section 2924(b), requesting that any beneficiaries of liens securing the Clinics' project financing notify the County of any default under the instrument creating the lien (if any) (the "**Request for Notice**").

(xv) Documents Executed. Each of the Clinics shall have duly executed their respective Subsequent Agreement and all documents required pursuant thereto to be executed, with signatures acknowledged (as applicable) and deposited them into Escrow.

(xvi) Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement. Each of the Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement shall have been fully executed in forms approved by the Planning Director, for recordation at the Close of Escrow.

(xvii) Licensing. Each of the Clinics shall have obtained all licenses, approvals and permits required to operate and provide the dental and/or medical (as applicable) services contemplated by this Agreement.

(b) The conditions set forth in paragraph (a) above are for Successor Agency's benefit only and the County Administrative Officer may waive all or any part of such rights by written notice to Developer, which Developer shall promptly provide to the Clinics.

(c) If either of the Clinics has not performed the following tasks by the respective timeframes set forth below, then all provisions in this Agreement related to the Dientes Component of Capitola Project and the SCCHC Component of Capitola Project

shall automatically terminate and be of no further force or effect, and Successor Agency and Developer shall meet and confer, and consult with the County, to discuss potential options for the disposition and development of the Clinic Parcel. If within six (6) months after the automatic termination described in the foregoing sentence Developer and Successor Agency, after consultation with the County, have not reached agreement on any potential option for the disposition and development of the Clinic Parcel, then (i) the Clinic Parcel shall be released from this Agreement, and (ii) at such time as Successor Agency conveys the Property to Developer, Successor Agency shall reasonably cooperate with Developer with respect to any easements reasonably necessary to enable Developer to construct and operate the Project.

<u>Timeframe</u>	<u>Task</u>
September 2019	Submit to County and obtain County approval of financial proforma
October 2019	Submit to County and obtain County approval of SCCHC/Dientes Operating Agreement
January 2020	Submit applications for building permit to County
June 2020	Satisfy all County conditions to closing and acquire applicable parcel

The County Administrative Officer, after consultation with the Planning Director, shall have authority, in his or her sole and absolute discretion, to grant an extension to any of the timeframes set forth in this paragraph (c) pursuant to authority in Section 16 below.

2.3 Execution of Agreements with Clinics at Close of Escrow. Except with respect to the Close of Escrow pursuant to paragraph (c) of Section 2.2 above, at the Close of Escrow, each of Dientes and SCCHC shall be required to execute a separate agreement that includes requirements pertaining to their respective developments that are substantially similar to the requirements herein (each, a “**Subsequent Agreement**”). Any such Subsequent Agreement shall include a schedule, a scope of development, and a recordable regulatory agreement, and shall require development in accordance with all applicable plans, permits, and land use entitlements issued and/or approved in connection with the Dientes Component of Capitola Project or SCCHC Component of Capitola Project (as applicable). Notwithstanding anything to the contrary contained herein, upon the Close of Escrow: (i) all provisions under this Agreement related to Dientes, SCCHC and/or the Clinic Parcel shall terminate and be of no further force or effect; (ii) any default under any Subsequent Agreement and/or the Clinic CC&Rs shall not be a default under this Agreement or under any agreement between the County and Developer related to the Property or the Project; (iii) Developer shall be released from any and all liability and claims related to the Clinic Parcel; and (iv) any indemnifications

provided by Developer under this Agreement or any related agreements shall only apply to the Project and Property and not to the Clinic Parcel.

3. SCHEDULE OF PERFORMANCE

The Schedule of Performance sets forth the times by which the parties are required to perform certain obligations set forth in this Agreement.

4. LAND USE ENTITLEMENTS

Within the time set forth in the Schedule of Performance, Developer shall submit to the County and thereafter diligently process an application or applications for all discretionary governmental permits as may be necessary to allow Developer to develop the Project in the manner required by this Agreement including, without limitation, a Planned Unit Development and a Design Permit (collectively, the “**Land Use Entitlements**”). Successor Agency, without any cost or expense to Successor Agency other than as may be expressly provided in the Project Budget, agrees to reasonably assist Developer to secure said Land Use Entitlements. Notwithstanding the foregoing, Successor Agency shall sign, as the “Owner,” all such applications to be submitted by Developer pursuant to this paragraph.

The approval of this Agreement by Successor Agency shall not constitute a pre-commitment by Successor Agency or the County or the County Board of Supervisors regarding any approvals required for development of the Project, including, without limitation, all required analysis under CEQA. Developer obtains no right or entitlement to construct the Project by virtue of this Agreement. The County retains unfettered discretion to approve, conditionally approve, or deny any entitlements and/or other approvals required for the Project and all proceedings and decisions in connection therewith. This Agreement shall not be construed as a grant of development rights or land use entitlements to construct the Project on the Property. All design, architectural, and building plans for the Project shall be subject to the review and approval of the County and any other governmental agency with jurisdiction over the Property and/or Project. By its execution of this Agreement, Successor Agency is not committing itself or the County to or agreeing to undertake any acts or activities requiring the subsequent independent exercise of discretion by the County or any agency or department thereof.

Within ten (10) days after the County takes final action with respect to all of the Land Use Entitlements, Developer shall notify the County in writing whether Developer approves or disapproves the Land Use Entitlements, including all of the terms and conditions pertaining thereto. Any disapproval shall be in writing and shall state the reasons therefor. If Developer fails to timely notify the County in writing of Developer’s approval or disapproval of the Land Use Entitlements, Developer shall be conclusively deemed to have approved the same. If Developer timely disapproves the Land Use Entitlements, this Agreement shall be terminated unless the parties mutually agree to approve an extension of time for reconsideration of the County’s actions with respect to the Land Use Entitlements, with each party reserving the right to approve or disapprove the same in its sole and absolute discretion.

If any Land Use Entitlement Claims and/or CEQA Claims are taken or filed, then Developer shall have the right to elect to either defend the same or not defend the same, at Developer's cost, including, without limitation, all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. If Developer elects to so defend the same, then Developer shall appoint counsel and direct strategy; provided, however, that such counsel shall be acceptable to Successor Agency and County in each of their reasonable discretion. If Developer elects not to so defend, then either Successor Agency or Developer shall have the right to terminate this Agreement.

5. DUE DILIGENCE PERIOD; PERMISSION TO ENTER PROPERTY; AS-IS; PHYSICAL AND ENVIRONMENTAL CONDITION

5.1 Due Diligence Period. Successor Agency shall permit Developer and Developer's representatives and agents to enter onto the Property commencing on the Effective Date and continuing for a period of sixty (60) days thereafter ("**Due Diligence Period**"), for purposes of enabling Developer to examine, inspect, and investigate the physical and environmental condition of the Property, including any foundations, soil, subsurface soils, drainage, seismic and other geological and topographical matters, location of asbestos, toxic substances, Hazardous Materials, if any, and, at Developer's sole and absolute discretion, to enable Developer to determine whether the Property is acceptable to Developer and suitable for Developer's intended use; provided, however, in no event shall Developer conduct any intrusive testing procedures on the Property without the prior written consent of Successor Agency, which consent may not be unreasonably delayed or withheld. Developer and Developer's representatives and agents shall also be entitled to enter onto the Property to conduct additional examinations and investigations at any time after expiration of the Due Diligence Period and through the Close of Escrow.

As a condition to Developer's entry onto the Property prior to the Close of Escrow, whether before or after the expiration of the Due Diligence Period, Developer shall provide to Successor Agency a copy of all reports, studies and test results prepared by Developer's consultants, without representation or warranty. Developer shall notify Successor Agency, in writing, at least twenty-four (24) hours prior to any entry by Developer or Developer's representatives on the Property. Successor Agency shall have the right, but not the obligation, to accompany Developer during such investigations. As an additional condition of such entry, Developer shall (i) conduct all work or studies in a diligent, expeditious, and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after the investigation; (ii) obtain any required governmental permits and comply with all applicable laws and governmental regulations; (iii) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; (iv) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) for all persons entering the Property in the amounts required by the State of California; and (v) provide to Successor Agency prior to initial entry a certificate of insurance evidencing that Developer and/or the persons entering the Property have procured and have in effect

commercial general liability insurance that satisfies the requirements set forth in Section 10.6 hereof. Developer shall, in a timely manner, repair any and all damage to the Property caused by such inspections or investigations and shall indemnify, defend, and hold harmless the Indemnitees from and against any claims, liabilities, and losses arising from the entries of Developer and its representatives and agents on the Property pursuant to this Section 5.1, except to the extent that such claims, liabilities, and losses arise out of the intentional misconduct, active negligence, or illegal actions of any of the Indemnitees.

Notwithstanding Developer's right to enter the Property after expiration of the Due Diligence Period pursuant to the second sentence in the first paragraph of this Section 5.1, Developer shall notify Successor Agency in writing on or before the expiration of the Due Diligence Period of Developer's approval or disapproval of the physical and environmental condition of the Property and Developer's investigations with respect thereto. If Developer notifies Successor Agency of disapproval, such notification shall be accompanied by a statement of reasons. Developer's notification of disapproval shall stay the Due Diligence Period for a period of ten (10) days to allow for the Parties to meet and confer. During such meet and confer period, the Parties shall attempt in good faith to address the issues raised in the statement of reasons. Unless the Parties agree on a resolution of the issues raised in the statement of reasons or to extend in writing the Due Diligence Period, Developer's delivery of the notice of disapproval shall constitute Developer's election to terminate this Agreement and cancel the Escrow. Developer's failure to deliver notice of disapproval, accompanied by a statement of reasons, to Successor Agency on or before the expiration of the Due Diligence Period shall be conclusively deemed Developer's approval thereof.

Should Dientes and/or SCCHC desire to enter and inspect the Clinic Parcel, Developer shall direct the respective entity to contact the County Administrative Officer and request such access, whereupon Successor Agency agrees to permit such access pursuant to a written agreement to be entered into by and between Successor Agency and the respective entity, in a form provided by Successor Agency legal counsel.

5.2 "AS-IS"; Release. Developer acknowledges and agrees that it has been provided with copies of the Phase 1 and Remedial Action Summary Report, and that Developer is acquiring the Property from Successor Agency solely in reliance on its own investigation, and that no representations and/or warranties of any kind whatsoever, express or implied, have been made by any of the Indemnitees.

AS A MATERIAL PART OF THE CONSIDERATION FOR SUCCESSOR AGENCY'S AGREEMENT TO SELL THE PROPERTY TO DEVELOPER, DEVELOPER AGREES THAT AS OF CLOSE OF ESCROW DEVELOPER WILL ACCEPT THE PROPERTY "AS IS" AND "WHERE IS", WITH ALL FAULTS. EXCEPT AS OTHERWISE SET FORTH HEREIN AND SUBJECT TO APPLICABLE CALIFORNIA LAW, NO WARRANTY OR REPRESENTATION IS MADE BY SUCCESSOR AGENCY OR THE COUNTY WITH RESPECT TO THE PROPERTY AS TO (I) FITNESS FOR ANY PARTICULAR PURPOSE, (II) MERCHANTABILITY, (III) CONDITION, (IV) ABSENCE OF DEFECTS OR FAULTS, (V) ABSENCE OF HAZARDOUS OR TOXIC

PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE AND LEGAL CONDITION OF THE PROPERTY.

As of the Close of Escrow, Developer will be deemed to have waived and released Successor Agency of and from any and all claims, causes of action, damages or losses that may be incurred by Developer concerning the condition of the Property, whether known or unknown as of the Close of Escrow, except for a breach or default by Successor Agency of its obligations under this Agreement or any fraud or intentional misrepresentation by Successor Agency. Such waiver will be deemed to be a release of all rights held by Developer under California Civil Code §1542, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Developer Initials

ADF

5.3 Developer Indemnity. Developer shall save, protect, defend, indemnify, and hold harmless the Indemnitees from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, reasonable attorneys' fees and remedial and response costs) (the foregoing are hereinafter collectively referred to as "**Liabilities**") which may now or in the future be incurred or suffered by any of the Indemnitees by reason of, resulting from, in connection with, or existing in any manner whatsoever as a direct or indirect result and to the extent of (i) Developer's failure to comply with all applicable Governmental Requirements; (ii) Developer's failure to comply with any permit issued pursuant to the NPDES, and applicable to the Project and/or Property; (iii) Developer's placement on or under the Property of any Hazardous Materials or Hazardous Materials Contamination; (iv) Developer's breach of its obligations under Section 5.4 or Section 5.5 hereinafter; or (iv) any Liabilities incurred after the Close of Escrow under any Governmental Requirements relating to the acts described in the foregoing clauses (i), (ii), (iii) and (iv). Except for obligations assumed by Developer in Section 5.4 and Section 5.5 hereinafter, Developer shall have no indemnity obligation to any of the Indemnitees for any Liabilities arising from or related to Successor Agency's failure to comply with any Governmental Requirements, whether known or unknown, that existed or arose prior to the Close of Escrow regardless of when such Liabilities may accrue.

5.4 Duty to Prevent Hazardous Material Contamination. Developer shall take commercially reasonable actions to prevent the exacerbation of an existing release of any Hazardous Materials located on the Property and the release of new Hazardous Materials to the Property after the Close of Escrow. For the avoidance of ambiguity only, nothing in the previous sentence shall limit Developer from maintaining Hazardous Materials existing on the Property prior to the Close of Escrow or consolidating such Hazardous Materials on the Property, all to the extent permitted by law. Developer's duty to prevent

5.4 Duty to Prevent Hazardous Material Contamination. Developer shall take commercially reasonable actions to prevent the exacerbation of an existing release of any Hazardous Materials located on the Property and the release of new Hazardous Materials to the Property after the Close of Escrow. For the avoidance of ambiguity only, nothing in the previous sentence shall limit Developer from maintaining Hazardous Materials existing on the Property prior to the Close of Escrow or consolidating such Hazardous Materials on the Property, all to the extent permitted by law. Developer's duty to prevent Hazardous Materials Contamination shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Developer shall comply with any state or local Government Requirements pertaining to apartment complexes in Santa Cruz County, California, as respects the disclosure, permitting, notification, storage, use, removal, and disposal of Hazardous Materials.

5.5 Obligation to Remediate Premises. All final reports prepared by environmental consultants documenting the results of environmental assessments of the Property performed by Developer shall be submitted to the Department of Toxic Substances Control for review promptly upon completion. Developer acknowledges that, prior to the Close of Escrow, Developer shall have no obligation to undertake any action to address or respond to Hazardous Materials present on, under, or about the Property regardless of when the Hazardous Materials first occurred or when they were first discovered. After the Close of Escrow, any remediation, investigation, mitigation or other response action (collectively "**Response Action**") shall be performed by Developer at Developer's sole cost and expense without any reimbursement from Successor Agency or the County, including (i) all Response Actions required by any federal, state, regional, or local governmental agency or political subdivision or to fulfill any Governmental Requirements and (ii) all actions necessary to use the Property for the purposes contemplated by the Regulatory Agreement and this Agreement; and in either case (i) or (ii), regardless of whether the Hazardous Materials or Hazardous Materials Contamination that is the subject of such Response Action arose before or after the Close of Escrow and regardless of when it was first discovered. Such Response Actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies, risk assessments or other reports, and the performance of any cleanup, remedial, removal, mitigation or restoration work.

5.6 Environmental Inquiries. Developer, when it has received any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, or cease and desist orders related to Hazardous Materials or Hazardous Materials Contamination from any governmental agency, or when Developer is required to report to any governmental agency any violation or potential violation of any Governmental Requirement pertaining to Hazardous Materials or Hazardous Materials Contamination (collectively, "**Environmental Inquiries**"), shall concurrently notify the Planning Director, and provide to him/her a copy or copies of the Environmental Inquiries.

In the event of a release of any Hazardous Materials at the Property by Developer into the environment in violation of law, Developer shall, as soon as possible after it becomes aware of the release, furnish to the Planning Director a notification that the release occurred and a copy of any and all test results and final reports relating thereto

and copies of all correspondence with governmental agencies relating to the release. Upon request of the Planning Director, Developer shall furnish to the Planning Director a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits, test results and final reports, including, without limitation, those reports and other matters which may be characterized as confidential. For the avoidance of ambiguity only, Developer shall be under no obligation to furnish any attorney-client privileged documents; provided, however, that Developer may not withhold from Planning Director facts regarding a violation of law that affects the Property.

5.7 Materiality. Developer acknowledges and agrees that the defense, indemnification, protection and hold harmless obligations of Developer for the benefit of Successor Agency set forth in this Agreement are a material element of the consideration to Successor Agency under this Agreement, and that Successor Agency would not have entered into this Agreement unless Developer's obligations were as provided for herein.

5.8 Review of Title of Site. Within thirty (30) days after the Effective Date, Successor Agency shall cause the Title Company to deliver to Developer a standard preliminary title report dated no earlier than the Effective Date (the "**Preliminary Title Report**") with respect to the title to the Property, together with legible copies of the documents underlying the exceptions ("**Title Exceptions**") set forth in the Preliminary Title Report. Developer shall have the right to approve or disapprove the Title Exceptions and any proposed encumbrances to the Property in the exercise of its sole discretion; provided, however, that Developer hereby approves the following Title Exceptions:

- (a) The standard printed exceptions and exclusions contained in the Preliminary Title Report.
- (b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow).
- (d) All documents to be recorded at the Close of Escrow pursuant to this Agreement.

Developer shall have fifteen (15) days after the later of (i) the date of its receipt of the Preliminary Title Report, or (ii) the date Developer receives the documents underlying the Title Exceptions, to give written notice to Successor Agency and Escrow Holder of Developer's approval or disapproval of any of such Title Exceptions. Developer's failure to give written disapproval of any of the Title Exceptions in the Preliminary Title Report within such time limit shall be deemed Developer's approval of the Preliminary Title Report. If Developer notifies Successor Agency of its disapproval of any Title Exceptions in the Preliminary Title Report, Successor Agency shall have the right, but not the obligation, to remove any such disapproved Title Exceptions within thirty (30) days after receiving written notice of Developer's disapproval or provide assurances satisfactory to Developer that such disapproved Title Exception(s) will be removed on or before the Close of Escrow. If Successor Agency cannot or does not agree to remove any of the disapproved Title Exceptions before the Close of Escrow, Developer shall have fifteen

(15) days after the expiration of such thirty (30) day period to either give Successor Agency written notice that Developer elects to proceed with the acquisition of the Property subject to the disapproved Title Exceptions or to give Successor Agency written notice that Developer elects to terminate this Agreement. Developer's failure to give written notice of its election within such fifteen (15) day period shall be deemed to be an election to proceed with the purchase of the Property subject to the disapproved Title Exceptions. The condition of title, including all of the Title Exceptions approved (or deemed approved) by Developer as provided herein shall hereinafter be referred to as the "**Condition of Property Title.**" From and after the Effective Date hereof, and continuing until the earlier of (i) the Close of Escrow, or (ii) termination of this Agreement, Successor Agency shall not further encumber the Property with additional Title Exceptions without Developer's prior written consent. Developer shall have the right to approve or disapprove, in its sole discretion, any further Title Exceptions reported by the Title Company after Developer has approved the Condition of Property Title (which are not created by Developer). Developer and the County Administrative Officer, on behalf of Successor Agency, shall have the authority to extend the foregoing fifteen (15) day period by written agreement.

Within thirty (30) days after the Effective Date, Successor Agency shall cause the Title Company to deliver to Developer (i) a standard preliminary title report dated no earlier than the Effective Date (the "**Dientes Preliminary Title Report**") with respect to the title to the Dientes Condominium, or if the Title Company is unable to prepare a title report that is limited to the Dientes Condominium, then for the Clinic Parcel or Capitola Property, together with legible copies of the documents underlying the exceptions ("**Dientes Title Exceptions**") set forth in the Dientes Preliminary Title Report, and (ii) a standard preliminary title report dated no earlier than the Effective Date (the "**SCCHC Preliminary Title Report**") with respect to the title to the SCCHC Condominium, or if the Title Company is unable to prepare a title report that is limited to the SCCHC Condominium, then for the Clinic Parcel or Capitola Property, together with legible copies of the documents underlying the exceptions ("**SCCHC Title Exceptions**") set forth in the SCCHC Preliminary Title Report. Upon Developer's receipt of the Dientes Preliminary Title Report or SCCHC Preliminary Title Report, the provisions in this Section 5.8 shall be applicable to said report.

6. FINANCING PLAN FOR THE PROJECT

6.1 Financing Plan. It is contemplated that Developer will finance the Project (the "**Project Financing**") through a combination of funds from the proceeds of the following:

- (a) Construction Loan. The Construction Loan;
- (b) Tax Credits. Developer equity, consisting of equity raised by the syndication to reputable investors of state and/or federal low-income housing credit and obtained pursuant to 26 U.S.C. §42 (the "**Tax Credits**");
- (c) Take-Out Loan. The Take-Out Loan; and

(d) County Loan. The County Loan, as more particularly provided in Section 6.2 below.

Notwithstanding the foregoing, Developer shall continue to use commercially reasonable efforts to pursue additional sources of funds that may be available to assist with the costs of developing the Project, including, without limitation, funds from multiple programs administered by HCD.

6.2 County Loan. Subject to the terms and conditions of this Agreement, Successor Agency agrees to use commercially reasonable efforts to cause the County to make a loan to Developer, utilizing County housing funds, in the collective amount of (i) the Purchase Price (which amount Developer acknowledges shall be deemed to have been funded upon Successor Agency's conveyance of the Property to Developer) (the "**Purchase Price Loan**"), and (ii) Two Million One Hundred Fifty Thousand Dollars (\$2,150,000), for disbursement to Developer for costs Developer incurs to develop the Project, pursuant to the disbursement process set forth below (the "**Development Loan**"). Developer acknowledges that the County provided the Predevelopment Loan to MidPen pursuant to the Predevelopment Agreement, and as set forth in the Predevelopment Agreement, the principal amount of the Predevelopment Loan is to be added to, and repaid pursuant to the repayment terms of, the Purchase Price Loan and Development Loan. The Purchase Price Loan, Development Loan, and Predevelopment Loan shall be collectively referred to hereinafter as the "**County Loan**". The County Loan shall be evidenced by the County Note, and shall be secured by the County Deed of Trust.

Developer represents, acknowledges and agrees that the cost of producing and maintaining affordable units is proportionately related to the level of affordability of the units, and that units restricted at deeper level of affordability will cost Developer more to produce. As a result, the County Loan shall be allocated to the Project in the following manner:

Thirty percent (30%) of the County Loan, in the amount of One Million Five Hundred Ninety Four Thousand Six Hundred Seventy-Six Dollars (\$1,594,676), shall be allocated to the cost of developing and maintaining the "30% AMI Units" (as that term is defined in the County Regulatory Agreement);

Fifty percent (50%) of the County Loan, in the amount of Two Million Sixty Hundred Fifty-Seven Thousand Seven Hundred Ninety-Two Dollars (\$2,657,792), shall be allocated to the cost of developing and maintaining the "40% AMI Units," "50% AMI Units," and "60% AMI Units" (as those terms are defined in the County Regulatory Agreement); and

Twenty percent (20%) of the County Loan, in the amount of One Million Sixty-Three Thousand One Hundred Seventeen Dollars (\$1,063,117), shall be allocated to the cost of developing and maintaining the "80% AMI Units" (as that term is defined in the County Regulatory Agreement).

As a condition to Developer's obligation to close the Project Financing, the County shall have delivered the Development Loan (or undisbursed portion thereof, if portions are disbursed early pursuant to the following paragraph) to Escrow Holder for disbursement to Developer at or following the closing of the Project Financing. The Development Loan shall be disbursed to Developer to reimburse Developer for Project development costs incurred by Developer, pursuant to the process set forth in this paragraph. All disbursement requests must be approved by the Planning Director, and shall include written evidence of previously paid or pending invoices for development costs listed in the Project Budget, such as receipts or invoices from the vendor, and shall also include written evidence that the invoices are for actual Project development costs that have been or will be incurred as a result of development of the Project. All requests for payment shall include conditional lien releases covering the work to be reimbursed.

Notwithstanding anything herein to the contrary, following the Close of Escrow (if the Close of Escrow occurs early, pursuant to Section 2.2(a) above), the Planning Director shall have authority, in his or her sole and absolute discretion, to disburse portions of the Development Loan to Developer, upon a written request by Developer setting forth the necessity for such early disbursement, along with back-up documentation supporting the request.

6.3 Applications to CDLAC and TCAC . Within the time set forth in the Schedule of Performance, Developer shall (i)(a) if the Project will be financed through issuance of the Tax-Exempt Bonds, prepare for filing in the name of the California Municipal Finance Authority or other reputable issuer acceptable to the Planning Director a complete application to CDLAC for an allocation for the Tax-Exempt Bonds; and (b) apply to reputable institutional lenders for the third party credit enhancement or private placement of the Tax-Exempt Bonds in order to provide the Construction Loan and Take-Out Loan for the Project; and (ii)(a) prepare and submit a complete application to TCAC for an allocation of 4% Tax Credits as soon as reasonably practicable following the Effective Date; and (b) apply to reputable institutional investors and syndicators qualified to act as the Investor.

Developer agrees to promptly submit to the Planning Director all of the following documents at such time as the same are submitted by Developer to TCAC or other applicable body or when such documents are received by Developer, as applicable (any documents submitted prior to the Effective Date of this Agreement shall also have been submitted by Developer to the Planning Director and reviewed by the Planning Director prior to the Effective Date of this Agreement):

(1) A true and correct copy of the preliminary reservation letter from TCAC, a copy of the letter of intent from the Investor reflecting the total amount of the syndication proceeds and the timing of the payment of such proceeds.

(2) A complete copy of the Tax Credit Regulatory Agreement (4 California Code of Regulations § 10340(c)). (As more fully discussed in Section 4.14 of County Regulatory Agreement, should the County be prevented by a final order of a court of competent jurisdiction, applicable and binding appellate opinion, or regulatory body

with jurisdiction from enforcing, for any reason, the affordability restrictions set forth in this Agreement, the County shall, subject to TCAC's consent to the extent such consent is required, be a third-party beneficiary under said agreement and shall have full authority to enforce any breach or default by Developer thereunder in the same manner as though it were a breach or default under this Agreement.)

(3) Complete copies of all correspondence or transmittals from TCAC or other jurisdiction (such as the Internal Revenue Service) containing any notification regarding the Project's noncompliance with applicable provisions of the Tax Credit Program.

6.4 Project Budget. The Project Budget includes all of the following: (i) a detailed budget; (ii) a Sources and Uses of Funds Statement; (iii) a Cash Flow Projection; and (iv) a First Year Operating Budget.

6.5 Developer Submittals.

Promptly upon Developer's receipt of a notification of an award of any of the financing described in the Project Budget, Developer shall submit to the Planning Director copies of all of the correspondence and other documentation received in connection with the same.

Within five (5) days after the Effective Date, Developer shall provide to the Planning Director a copy of Developer's most recently prepared Annual Financial Statement, and a copy of Developer's most recent internally prepared, unaudited financial statement, which shall include a balance sheet, income statement, statement of retained earnings, statement of cash flows, and footnotes thereto, prepared in accordance with generally accepted accounting principles consistently applied.

6.6 Financing Commitments. Not later than the time provided in the Schedule of Performance, Developer shall submit to the Planning Director for review and approval, which approval shall not be unreasonably denied or delayed, preliminary commitments for the Project Financing, including, without limitation, any investor or lender offers received from qualified parties for the Tax Credits.

6.7 Developer Fee. The parties acknowledge and agree that Developer shall not be entitled to any fee for developing the Project except as expressly set forth in the Project Budget.

6.8 Cost Savings Obligation. Subject to the requirements of TCAC and other lenders providing loans to the Project that have been approved by the Planning Director, Developer hereby agrees to provide and pay to the County towards repayment of the County Loan a "Cost Savings" payment for the Project in an amount to be determined based on the "Audit" (as those terms are described in subparagraph (a) below) to be conducted upon completion of construction of the Project.

(a) Audit to Determine Cost Savings Amount. The actual amount of Cost Savings to be paid to the County shall be determined after the Audit, as hereafter

described, and the amount of such Cost Savings shall be equal to the amount by which the total sources of permanent financing for the Project (which financing includes, but is not limited to, the County Loan, the Take-Out Loan, the equity raised by the sale of the Tax Credits) exceed the costs of development incurred for the Project (which costs include, but are not limited to, the hard and soft costs incurred by Developer to perform predevelopment activities and construct the Project (including all permitted deferred developer fee), and the amount spent to reduce the principal balance of the Construction Loan to the principal balance of the Take-Out Loan). Prior to the Conversion Date, Developer shall cause its certified public accountant(s) to perform a final audit of the costs of development of the Project in accordance with the requirements of the Tax Credits and generally accepted accounting principles ("GAAP") and generally accepted auditing standards (herein referred to as "Audit"). If the Audit determines that the total sources of permanent financing for the Project (which financing includes, but is not limited to, the County Loan, the Take-Out Loan, the equity raised by the sale of the Tax Credits) exceed Developer's total costs to develop the Project (which costs include, but are not limited to, the hard and soft costs incurred by Developer to perform predevelopment activities and construct the Project, and the amount spent to reduce the principal balance of the Construction Loan to the principal balance of the Take-Out Loan), such excess shall be considered the "**Cost Savings**" for the Project.

(b) Cost Savings Payment as Payment of Principal on County Loan. Subject to the requirements of TCAC and other lenders providing loans to the Project that have been approved by the Planning Director, the Cost Savings for the Project, once determined by the Audit pursuant to Section 6.8(a) above and subject to Section 6.8(c) below, shall be due and paid by Developer to the County and allocated and credited as a principal payment on the County Loan, as and when paid. Any Cost Savings above and beyond the amount needed to fully repay the County Loan may be used by Developer in its discretion.

(c) Timing of Payment of Cost Savings. The Cost Savings for the Project shall become due and payable by Developer to the County upon the later of (i) sixty (60) days after receipt by Developer of the final investor capital contribution, and (ii) completion of construction of the Project, as evidenced by the County's issuance of a Release of Construction Covenants.

7. DISPOSITION OF PROPERTY

7.1 Agreement. Successor Agency, subject to the conditions set forth in Section 7.2 below (except as otherwise permitted under Section 2.2), agrees to sell the Property to Developer, and Developer, subject to the conditions set forth in Section 7.3 below, agrees to purchase the Property from Successor Agency. Subject to each party's reserved rights hereunder, the parties shall cooperate with one another and shall exercise commercially reasonable diligence in an effort to ensure that the conditions precedent set forth in Sections 7.2 and 7.3 are timely satisfied.

7.2 Conditions for Successor Agency's Benefit. Except as otherwise permitted under Section 2.2, Successor Agency's obligation to sell the Property to Developer shall

be subject to satisfaction of all of the following conditions precedent or Successor Agency's written waiver of such conditions precedent in its sole and absolute discretion:

(a) Organizational Documents. The Planning Director shall have received and approved a copy of such portions of the organizational documents of Developer or Developer's successor-in-interest as the Planning Director deems reasonably necessary to document the power and authority of Developer to perform its obligations set forth in this Agreement. Developer shall have made full disclosure to the Planning Director of the names and addresses of all persons and entities that have a beneficial interest in Developer.

(b) Insurance. Developer shall have submitted to the Planning Director and the Planning Director shall have approved Developer's evidence of the liability insurance required pursuant to Section 10.6 hereof.

(c) Land Use Entitlements. The County shall have approved the Land Use Entitlements for the Project, in accordance with Section 4, Developer shall have approved or be deemed to have approved the same, including without limitation all terms and conditions applicable thereto, and the Land Use Entitlements Approval Date shall have occurred.

(d) Evidence of Project Financing. The Planning Director shall have received and reasonably approved commitments from all Project Financing sources, as evidenced by letters of commitment and/or true and complete copies of loan documents.

(e) General Contractor. The general contractor for the Project (the "**General Contractor**") shall have been approved by the Planning Director.

(f) Construction Contract. The Planning Director shall have received a true and complete copy of a contract by and between Developer and the General Contractor pursuant to which the General Contractor has agreed to construct the Project at a cost consistent with the costs set forth therefor in the Project Budget (the "**Construction Contract**") and the Planning Director shall have approved said Construction Contract.

(g) Final Construction Documents. The Planning Director shall have approved the Final Construction Documents for the Project and the Planning Director shall have received a full set thereof.

(h) Completion Bond. If the Construction Lender or the Investor require that a completion bond be posted by the General Contractor, then such completion bond shall name the County as a co-obligee.

(i) Completion Guaranty. If the Construction Lender or the purchaser of the Tax Credits require a completion guaranty from Developer, or any Affiliate thereof, then the County shall have also received a completion guaranty from Developer in similar form and content.

(j) Building Permit. The Building Permit for the Project shall have issued or shall be ready to issue subject only to the payment of applicable fees, the posting of required security, or both.

(k) Construction to Commence. The Planning Director shall be reasonably satisfied that construction of the Project will commence not later than thirty (30) days after the Close of Escrow and thereafter will be pursued to completion in a diligent and continuous manner; provided, however, that if early closing occurs pursuant to Section 2.2(a), then the Planning Director shall be reasonably satisfied that construction of the Project will commence not later than thirty (30) days after the close of Developer's Project Financing.

(l) Assignment of Final Construction Documents. Developer shall have conditionally assigned to the County the Final Construction Documents for the Project by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, which assignment shall be subordinated to any pledge or assignment to the Construction Lender. Developer shall have also delivered to the Planning Director the written consent of the other party to each such Final Construction Document to said assignment in the form included as part of said Attachment No. 6, including, without limitation, to the use by the County of the Final Construction Documents, as well as the ideas, designs, and concepts contained within them.

(m) Assignment of Construction Contract. Developer shall have conditionally assigned to the County the Construction Contract by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, including obtaining the consent thereto of the General Contractor, which assignment shall be subordinated to any pledge or assignment to the Construction Lender.

(n) Resident Services Plan. Developer shall have submitted a detailed resident services plan for the Project to the Planning Director, including any specialized supportive services to be provided to targeted populations, and the Planning Director shall have reasonably approved the same.

(o) Request for Notice of Default. Escrow Holder shall be ready to record a request for notice of default pursuant to Civil Code Section 2924(b), requesting that any beneficiaries of liens securing the Construction Loan notify the County of any default under the instrument creating the lien (the "**Request for Notice**").

(p) Documents Executed. Developer shall have duly executed the Grant Deed, County Note, County Deed of Trust, County Regulatory Agreement, and Notice of Affordability, with signatures acknowledged (as applicable) and deposited them into Escrow.

(q) Title Policy. Title Company is prepared to issue its ALTA loan policy of title insurance naming the County as the insured, in a policy amount not less than the principal amount of the County Loan, showing Developer as holding fee title to the

Property and insuring the County Deed of Trust to be a valid lien on the Property subject only to exceptions approved by the Planning Director (the “**County Title Policy**”).

(r) Land Use Entitlements Approval Date. Occurrence of the Land Use Entitlements Approval Date.

(s) Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement. Each of the Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement shall have been fully executed in forms approved by the Planning Director, for recordation at the Close of Escrow (applicable only if at Close of Escrow Successor Agency will convey Dientes Condominium to Dientes and SCCHC Condominium to SCCHC pursuant to Section 2.2(a) above).

(t) Total Project Cost. Nothing shall have come to the attention of Developer and/or the County to indicate that the Project cannot be completed at a cost consistent with the Project Budget and, if there has been such an indication, Developer has provided evidence, reasonably satisfactory to the Planning Director, of the availability of funding sources other than the County to complete the Project. If Developer becomes aware of any such information, Developer shall promptly give notice thereof to the County Administrative Officer and the Planning Director.

(u) Representations and Warranties. The representations of Developer contained in this Agreement shall be correct in all material respects as of the Close of Escrow as though made on and as of that date and, if requested by the Planning Director, the County shall have received a certificate to that effect signed by Developer.

(v) Successor Agency/County Assignment. Each of Successor Agency and County shall have duly executed the Successor Agency/County Assignment.

(w) No Default. No Event of Default by Developer shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Developer and, if requested by the Planning Director, the County shall have received a certificate to that effect signed by Developer.

7.3 Conditions for Developer’s Benefit. Developer’s obligation to purchase the Property from Successor Agency shall be subject to satisfaction of all of the following conditions precedent or Developer’s written waiver of such conditions precedent in its sole and absolute discretion:

(a) Land Use Entitlements. Developer shall have approved the Land Use Entitlements for the Project, in accordance with Section 4.

(b) Condition of Property. No material changes shall have occurred after the Effective Date with respect to the condition of the Property.

(c) Evidence of Project Financing. The Developer shall have received commitments for the Construction Loan, Tax Credit Financing, and Take-Out Loan in form

and substance acceptable to the Developer, and the Construction Loan and Tax Credit financing shall close concurrently with the leasing of the Property.

(d) Total Project Cost. Nothing shall have come to the attention of Developer and/or the County to indicate that the Project cannot be completed at a cost consistent with the Project Budget and, if there has been such an indication, Developer has provided evidence, reasonably satisfactory to the Planning Director, of the availability of funding sources other than the County to complete the Project.

(e) Building Permit. The Building Permit for the Project shall have issued or shall be ready to issue subject only to the payment of applicable fees, the posting of required security, or both.

(f) Title Insurance. The Title Company shall be prepared to issue its ALTA owner's policy of title insurance, with liability in the amount not less than the total of the equity raised from the sale of the Tax Credits plus the principal amounts of the Take-Out Loan and County Loan, showing fee title to the Property vested in Developer, in the Condition of Property Title, with no other encumbrances or title exceptions, except (i) the Project Documents being recorded at the Close of Escrow pursuant to the terms of this Agreement, (ii) the lien of the Construction Loan Security Documents, and (iii) the standard conditions and exceptions contained in an ALTA standard owner's policy of title insurance that is regularly issued by the Title Company in transactions similar to the one contemplated by this Agreement (the "**Developer Title Policy**"). The Title Company shall provide the County with a copy of the Developer Title Policy.

(g) Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement. Each of the Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement shall have been fully executed.

(h) Reissuance of Predevelopment Loan. If reasonably required by the Investor, MidPen and the County shall have terminated the Predevelopment Agreement, and the County shall be deemed to have provided a new loan to Developer in the amount of the Predevelopment Loan.

(i) No Default. No Event of Default by Successor Agency shall then exist, and no event shall then exist which, with only the giving of notice or the passage of time or both, would constitute an Event of Default by Successor Agency.

7.4 Developer Right to Terminate. If, by the time provided in the Schedule of Performance, any of the conditions set forth in Section 7.3 have not been satisfied, or waived by Developer, then Developer, provided that it is not then in material default under this Agreement (subject to the notice and cure provisions of Section 13.1), may terminate this Agreement by giving thirty (30) days' written notice to Successor Agency.

7.5 Successor Agency Right to Terminate. If, by the time provided in the Schedule of Performance, any of the conditions set forth in Section 7.2 have not been satisfied, or waived by Successor Agency, then Successor Agency, provided that it is not

then in material default under this Agreement (subject to the notice and cure provisions of Section 13.1), may terminate this Agreement by giving thirty (30) days' written notice to Developer.

7.6 Waiver of Conditions. The conditions set forth in Section 7.2 are for Successor Agency's benefit only and the County Administrative Officer may waive all or any part of such rights by written notice to Developer. The conditions set forth in Section 7.3 are for Developer's benefit only and Developer may waive all or any part of such rights by written notice to Successor Agency.

8. PROPERTY CLOSING; ESCROW EXPENSES

8.1 Close of Escrow. Upon receipt by the Escrow Holder of (i) the Grant Deed, County Regulatory Agreement, County Deed of Trust, and Notice of Affordability, and (ii) all other funds and documents required to conduct the Close of Escrow in accordance with this Agreement, and when the conditions precedent described in Section 7.2 have been satisfied, or waived by the County Administrative Officer, and the conditions precedent described in Section 7.3 have been satisfied, or waived by Developer, the Escrow Holder shall take all of the following actions:

(a) Recordation. Escrow Holder shall record the following documents in the Official Records in the following order:

- (i) the Grant Deed;
- (ii) the County Regulatory Agreement;
- (iii) the Construction Loan Security Documents;
- (iv) the County Deed of Trust;
- (v) the Request for Notice;
- (vi) one or more (as applicable) County/Lender Subordination Agreements;
- (vii) the Notice of Affordability; and
- (viii) such other documents required to close the Escrow in accordance with this Agreement;

(b) Deliveries to Successor Agency. Escrow Holder shall deliver to Successor Agency:

- (i) a conformed copy of each of the documents recorded pursuant to paragraph (a) above; and
- (ii) the County Title Policy;

(c) Deliveries to Developer. Escrow Holder shall deliver to Developer:

- (i) a conformed copy of each of the documents recorded pursuant to paragraph (a) above, and
- (ii) the Developer Title Policy.

8.2 Expenses of Developer. Developer shall pay: (a) any and all documentary transfer taxes and recording fees arising from the conveyance of the Property from Successor Agency to Developer, (b) the Escrow fee, (c) the premium for the County Title Policy and Developer Title Policy, and (d) all such other costs and expenses related to the Escrow and not expressly provided for herein.

8.3 Instruction to Escrow Holder Regarding Waiver of Transfer Taxes and Recording Fees. The Escrow Holder is hereby instructed to seek such waivers and exemptions from transfer taxes and recording fees as are available pursuant to Revenue and Taxation Code Section 11922 and Government Code Sections 6103 and 27383, respectively.

8.4 Broker's Commissions. Developer represents and warrants to Successor Agency that Developer has not engaged any broker, agent or finder in connection with this Agreement, and Developer agrees to indemnify, protect, hold harmless, and defend the Indemnitees from any claim by any brokers, agents or finders retained by Developer. Successor Agency represents and warrants to Developer that Successor Agency has not engaged any broker, agent, or finder in connection with this Agreement, and Successor Agency agrees to indemnify, protect, hold harmless, and defend Developer and its officers, officials, members, employees, representatives, agents, and volunteers from any claim by any brokers, agents, or finders retained by Successor Agency.

9. OTHER ESCROW INSTRUCTIONS

9.1 Funds in Escrow. All funds received in the Escrow shall be deposited by the Escrow Holder in a general escrow account with any state or national bank doing business in the State of California and reasonably approved by the County Administrative Officer and Developer, and such funds may be combined with other escrow funds of the Escrow Holder. All disbursements shall be made on the basis of a thirty (30) day month.

9.2 Failure to Close. If the Close of Escrow does not occur on or before the Outside Closing Date, either Party not then in default may, in writing, demand the return of its money, papers, or documents from the Escrow Holder. No demand for return shall be recognized until fifteen (15) days after the Escrow Holder (or the Party making such demand) shall have mailed copies of such demand to the other Party. Objections, if any, shall be raised by written notice to the Escrow Holder and to the other Party within the fifteen (15) day period, in which event the Escrow Holder is authorized to hold all money, papers and documents until instructed by mutual agreement of the Parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the Escrow Holder shall conduct the Close of Escrow as soon as possible.

If objections are raised in the manner provided above, the Escrow Holder shall not be obligated to return any such money, papers or documents except upon the written instructions of both the County Administrative Officer and Developer, or until the Party entitled thereto has been determined by a final decision of a court of competent jurisdiction. If no such objections are made within said fifteen (15) period, the Escrow Holder shall immediately return the demanded money, papers or documents.

9.3 Amendments. Any amendment to these Escrow instructions shall be in writing and signed by the County Administrative Officer or legal counsel to Successor Agency and Developer. At the time of any amendment, the Escrow Holder shall agree to carry out its duties as the Escrow Holder under such amendment.

9.4 Notices. All Notices from the Escrow Holder to Successor Agency or Developer shall be given in the manner provided in Section 14.

9.5 Liability. The liability of the Escrow Holder under this Agreement is limited to performance of the obligations imposed upon it under Sections 6, 8 and 9 and such additional general or special instructions as may be prepared by the Escrow Holder and approved and executed by the parties.

10. DEVELOPMENT OF THE PROJECT

10.1 Scope of Development. Developer shall construct the Project on the Property in accordance with all applicable Governmental Requirements, the approved Land Use Entitlements, and the Scope of Development. In the event of any conflict between the approved Land Use Entitlements and the Scope of Development, the approved Land Use Entitlements shall govern and control. Subject to Section 17.12 below, Developer shall commence and complete construction of the Project on the Property by the respective times established therefor in the Schedule of Performance. The Scope of Development shall be deemed to include any plans and specifications submitted to the County for approval, and shall incorporate or show compliance with all mitigation measures.

10.2 Additional Governmental Permits and Approvals.

(a) Before commencement of construction or development of any buildings, structures or other works of improvement upon the Property by Developer, Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals not included in the Land Use Entitlements which may be required by the County or any other governmental agency affected by or with jurisdiction over such construction, development or work.

(b) The landscaping and finish grading plans shall be prepared by a professional landscape architect or registered civil engineer who may be the same firm as Developer's architect or civil engineer. During the preparation of drawings and plans, staff of Developer shall hold regular progress meetings with the County to coordinate the preparation of, submission to, and review of drawings, plans and related documents by the County. The staff of Developer shall communicate and consult informally with the

County as frequently as is necessary to insure that the formal submittal of any documents to the County can receive prompt and speedy consideration. Successor Agency shall use reasonable commercial efforts to cause the County to approve, conditionally approve, or deny, in writing, any formally submitted plans within thirty (30) days after submission to the County.

(c) Developer shall pay all necessary fees and timely submit to the County Final Construction Documents with final corrections required by the County to obtain a Building Permit.

10.3 Review and Approval of Plans, Drawings, and Related Documents.

(a) Successor Agency shall use reasonable commercial efforts to cause the County to approve, conditionally approve, or deny, in writing, any formally submitted plans within thirty (30) days after submission to the County.

(b) If the County determines that such a submittal is not substantially complete or not in accordance with procedures, such tender shall not be deemed to constitute a submittal for purposes of satisfying the Schedule of Performance. If Developer desires to make any material changes in the construction plans after their approval by the County, Developer shall submit the proposed change to the County for approval. If the construction plans, as modified by the proposed change, conform to the requirements of this Section 10.3 the Land Use Entitlements, the Scope of Development, and all Governmental Requirements, Successor Agency shall use reasonable efforts to cause the County to approve the proposed change, in writing, within thirty (30) days after submission to the County.

10.4 Cost of Development. Developer acknowledges and agrees that all Project Costs shall be borne exclusively by Developer. Developer shall also bear all costs related to discharging the duties of Developer set forth in this Agreement. Developer shall also be responsible for all fees associated with development of the Project, including, but not limited to, school facilities fees and development impact fees.

10.5 Indemnity. Developer shall defend (by counsel reasonably satisfactory to the County and Successor Agency), assume all responsibility for and hold the Indemnitees harmless from all claims or suits for, and damages to, property and injuries to persons, including accidental death (including expert witness fees, attorney's fees and costs), to the extent arising out of the activities and/or performance of Developer or any of Developer's employees, agents, representatives, contractors, or subcontractors under or with respect to (i) this Agreement, (ii) the making of the County Loan; (iii) a claim, demand or cause of action that any person has or asserts against Developer; (iv) any act or omission of Developer, any of Developer's contractors, subcontractors or material suppliers, engineers, architects or other persons with respect to the Property; or (v) the ownership, occupancy or use of the Property by Developer, whether such damage shall accrue or be discovered before or after termination of this Agreement. Developer's indemnification obligations pursuant to this Section 10.5 shall not apply to the extent that such claims, suits, or damages arise out of the intentional misconduct, active negligence,

or illegal actions of any of the Indemnitees. The obligations and indemnifications in this Section 10.5 shall constitute covenants running with the land.

10.6 Insurance Requirements.

(a) General. Commencing on the date of the Close of Escrow and continuing throughout the term of the County Regulatory Agreement, Developer shall procure and maintain, at its sole cost and expense, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects the County and Successor Agency and any insurance or self-insurance maintained by the County or Successor Agency shall be considered in excess of Developer's insurance coverage and shall not contribute to it. If Developer normally carries insurance in an amount greater than the minimum amount required by the County or Successor Agency for this Agreement, that greater amount shall become the minimum required amount of insurance for purposes of this Agreement. Therefore, Developer hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Agreement. Insurance is to be obtained from insurers reasonably acceptable to the County and Successor Agency.

If Developer utilizes one or more subcontractors in the performance of this Agreement, Developer shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of Developer in this Agreement, unless Developer and the County both initial here ____ / ____.

(b) Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the Developer has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of Developer's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by Developer's employees), leased or hired vehicles, in the minimum amount of \$1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the Developer does not drive a vehicle in conjunction with any part of the performance of this Agreement and Developer and the County both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$5,000,000 per occurrence, and \$5,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$_____ combined single limit, if, and only if, this subparagraph is initialed by Developer and the County ____ / ____.

(5) Builder's Risk (course of construction) insurance coverage in an amount equal to the full cost of the hard construction costs of the Project. Such insurance shall cover, at a minimum: all work, materials, and equipment to be incorporated into the Project; the Project during construction; the completed Project until such time as (i) the County issues a final certificate of occupancy (or equivalent document, if the County does not issue certificates of occupancy), and (ii) the County issues a Release of Construction Covenants, for the Project, and storage and transportation risks. Such insurance shall protect/insure the interests of Developer/owner and all of Developer's contractor(s), and subcontractors, as each of their interests may appear. If such insurance includes an exclusion for "design error," such exclusion shall only be for the object or portion which failed. The County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall terminate on the date the County issues a Release of Construction Covenants for the Project.

(6) Insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in Santa Cruz County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquakes to the extent required by the Construction Lender or Investor. The County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date the County issues a Release of Construction Covenants for the Project.

(7) Business interruption and extra expense insurance to protect Developer and the County covering loss of revenues and/or extra expense incurred by reason of the total or partial suspension or delay of, or interruption in, the operation of the Project caused by loss or damage to, or destruction of, any part of the insurable real property structures or equipment as a result of the perils insured against under the all risk physical damage insurance, covering a period of suspension, delay or interruption of at least twelve (12) months, in an amount not less than the amount required to cover such business interruption and/or extra expense loss during such period. Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date the County issues a Release of Construction Covenants for the Project.

(8) Boiler and machinery insurance in the aggregate amount of the full replacement value of the equipment typically covered by such insurance.

Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date the County issues a Release of Construction Covenants for the Project.

(c) Other Insurance Provisions

(1) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, Developer agrees that the retroactive date thereof shall be no later than the Effective Date, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post Agreement coverage") and any extensions thereof. Developer may maintain the required post Agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post Agreement coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover Successor Agency and the County of Santa Cruz, and their respective officials, officers, members, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of Developer, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required policies shall be endorsed to contain the following clause:
 "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

Santa Cruz County
 Planning Department
 Attn: Housing Manager
 701 Ocean Street, Room 418
 Santa Cruz, CA 95060

Should Developer fail to obtain such an endorsement to any policy required hereunder, Developer shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the County as a material term of this Agreement.

(4) Developer agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide Successor Agency on or before the Effective Date of this Agreement with Certificates of Insurance and endorsements for all

required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

Santa Cruz County
Planning Department
Attn: Housing Manager
701 Ocean Street, Room 418
Santa Cruz, CA 95060

(5) Developer hereby grants to the County and Successor Agency a waiver of any right of subrogation which any insurer of said Developer may acquire against the County or Successor Agency by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County or Successor Agency has received a waiver of subrogation endorsement from the insurer.

10.7 Developer's Continuing Indemnification Obligations. Developer agrees that the provisions of this Section shall not be construed as limiting in any way the County's or Successor Agency's right to indemnification or the extent to which Developer may be held responsible for the payment of damages to any persons or property resulting from Developer's activities or the activities of any person or persons for which Developer is otherwise responsible.

10.8 Remedies for Defaults Re: Insurance. In addition to any other remedies the County or Successor Agency may have, if Developer commits a default hereunder by failing to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, Successor Agency or the County may at its sole option, obtain such insurance and invoice the Developer for the amount of said premium. Exercise of the remedy set forth herein, however, is an alternative to other remedies the County and Successor Agency may have and is not the exclusive remedy for Developer's failure to maintain insurance or secure appropriate endorsements.

10.9 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. If the Project shall be totally or partially destroyed or rendered uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall, subject to the rights of the Construction Lender, promptly proceed to obtain all available insurance proceeds and, to the extent proceeds are available, take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as it existed prior to the casualty, and Developer shall complete or cause to be completed the same as soon as possible thereafter so that the Project can be operated in accordance with this Agreement. The County shall cooperate with Developer, at no expense to the County, in an effort to obtain any governmental permits required for such repair, replacement, or restoration.

10.10 Rights of Access. For purposes of assuring compliance with this Agreement, representatives of the County shall have the right of access to the Property without charges or fees, at normal business hours during the construction of the Project (subject to reasonable job safety rules as may be imposed by Developer or the General Contractor), including, but not limited to, the inspection of the work being performed in constructing the Project, so long as they comply with all safety rules. Such representatives of the County shall be those who are so identified in writing by the Planning Director.

10.11 Compliance with Laws; Compliance with Prevailing Wage Laws.

(a) Compliance with Laws. Developer shall carry out the construction, development and operation of the Project in conformity with all Governmental Requirements, including without limitation, all applicable local and state labor standards, County zoning and development standards, any permit issued pursuant to the NPDES and applicable to the Project and/or Property, building, plumbing, mechanical and electrical codes, and all other provisions of the County Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.

(b) Compliance with Prevailing Wage Laws.

(i) Developer shall carry out the construction through completion of the Project and the overall development of the Property in conformity with all applicable Governmental Requirements relating to the payment of prevailing wages and compliance with prevailing wage rules, including, without limitation, if applicable, the requirements to pay prevailing wages under federal law (the Davis-Bacon Act, 40 U.S.C. Section 3141, et seq., and the regulations promulgated thereunder set forth at 29 CFR Part 1 (collectively, “**Davis-Bacon**”)) and California law (Labor Code Section 1720, et seq.) (“**California Prevailing Wage Law**”). The parties acknowledge that a financing structure utilizing certain federal and/or state funding sources and financing scenarios may trigger compliance with applicable state and federal prevailing wage laws and regulations. Developer shall determine the applicability of federal, state, and local prevailing wage laws based upon the final financing structure and sources of funding of the Project, as approved by the Planning Director.

(ii) Developer shall be solely responsible, expressly or impliedly and legally and financially, for determining and effectuating compliance with all applicable federal, state, and local public works requirements, prevailing wage laws, and labor laws and standards, and neither the County nor Successor Agency makes any representation, either legally and/or financially, as to the applicability or non-applicability of any federal, state, and local laws to the construction of the Project. Developer expressly,

knowingly, and voluntarily acknowledges and agrees that neither Successor Agency nor the County have previously represented to Developer or to any representative, agent, or Affiliate of Developer, or any contractor(s) or any subcontractor(s) for the demolition work, construction, or development of the Project, in writing or otherwise, in a call for bids or otherwise, that the work and construction of the Project is (or is not) a “public work,” as defined in Section 1720 of the Labor Code or under Davis-Bacon. Notwithstanding the foregoing, each of County and Successor Agency hereby advises Developer that the Santa Cruz Code requires Developer to pay prevailing wages in connection with construction of the Project.

(iii) Developer knowingly and voluntarily agrees that Developer shall have the obligation to provide any and all disclosures or identifications as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. Developer shall indemnify, protect, pay for, defend, and hold harmless the Indemnitees, with legal counsel reasonably acceptable to Successor Agency and the County, from and against any and all loss, liability, damage, claim, cost, expense, and/or “increased costs” (including reasonable attorney’s fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Developer or its contractor with any applicable local, state, and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages and hire apprentices); (ii) the implementation of Section 1781 of the Labor Code and/or of Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the parties that, in connection with the demolition work, development, and construction (as defined by applicable law or regulation) of the Project, including, without limitation, any and all public works (as defined by applicable law or regulation), Developer shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state, and local law or regulation and/or the implementation of Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Project by Developer.

(iv) "Increased costs," as used in this Section 10.10, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time.

10.12 Anti-Discrimination. Developer, for itself and its successors and assigns, agrees that in the construction of the Project on the Property or other performance under this Agreement, Developer shall not discriminate against any employee or applicant for employment on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

10.13 Taxes and Assessments. After the Close of Escrow, Developer shall pay prior to delinquency all real estate taxes and assessments on the Property so long as Developer retains any interest therein. Notwithstanding the above, Developer shall have the right to contest the validity or amounts of any tax, assessment, or encumbrance available to Developer in respect thereto, or obtain any available exemptions.

10.14 Right of County to Satisfy Other Liens on the Property(s). At any time prior to the completion of construction, and after Developer has had written notice and has failed after a reasonable time, but in any event not less than forty-five (45) days, to challenge, cure, adequately bond against, or satisfy any liens or encumbrances on the Property which are not otherwise permitted under this Agreement, the County shall have the right but no obligation to satisfy any such liens or encumbrances. Notwithstanding the above, Developer shall have the right to contest the validity or amounts of any tax, assessment, or encumbrance available to Developer in respect thereto.

10.15 Non-liability of the County. Developer acknowledges and agrees that:

(a) The County neither undertakes nor assumes any responsibility to review, inspect, supervise, approve (other than for aesthetics) or inform Developer of any matter in connection with the Project, including matters relating to: (i) the Final Construction Documents, (ii) architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them, and/or (iii) the progress of the Project and its conformity with the Final Construction Documents; and Developer shall rely entirely on its own judgment with respect to such matters and acknowledge that any review, inspection, supervision, approval or information supplied to Developer by the County in connection with such matters is solely for the protection of the County and that neither Developer nor any third party is entitled to rely on it;

(b) The County is not a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Developer and the County does not intend to ever assume any such status; and the County shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer;

(c) The County shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction

on, or occupancy or use of, the Property whether arising from: (i) any defect in any building, grading, landscaping or other onsite or offsite improvement; (ii) any act or omission of Developer or any of Developer's agents, employees, contractors, licensees or invitees; or (iii) from and after the Close of Escrow any accident on the Property or any fire or other casualty or hazard thereon not caused by the Indemnitees; and

(d) By accepting or approving anything required to be performed or given to the County under this Agreement, including any certificate, financial statement, survey, appraisal or insurance policy, the County shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by the County to anyone.

10.16 Release of Construction Covenants. Promptly after completion of construction of the Project by Developer in conformity with this Agreement, the County shall furnish Developer with a Release of Construction Covenants upon written request therefor by Developer. The County shall not delay and/or unreasonably withhold such Release of Construction Covenants. Such Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the construction required by this Agreement and the Release of Construction Covenants shall so state. The Release of Construction Covenants shall be in the form attached hereto as Attachment No. 12 or such other similar form as to permit it to be recorded in the Official Records. If the County refuses or fails to furnish a Release of Construction Covenants for the Project after written request from Developer, the County shall, within fifteen (15) days of written request therefor, provide Developer with a written statement of the reasons the County refused or failed to furnish the requested Release of Construction Covenants. The statement shall also contain the County's opinion of the actions Developer must take to obtain the Release of Construction Covenants. If the reason for such refusal is confined to the immediate unavailability of specific items of materials for landscaping or other minor "punch list" items, the County shall issue its Release of Construction Covenants upon the posting of cash, a bond, or other security acceptable to the County in the County's sole discretion by Developer with the County in an amount representing the fair value of the work not yet completed, and Developer shall thereafter complete the "punch list" work with reasonable diligence and in no event later than sixty (60) days after the County's issuance of the Release of Construction Covenants. A Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage or any insurer of a mortgage securing money loaned to finance the improvements, or any part of this Agreement, or a release of any obligations under this Agreement which survives issuance of the Release of Construction Covenants. A Release of Construction Covenants is not a notice of completion as referred to in the California Civil Code Section 3093.

11. AFFORDABILITY COVENANTS

As more particularly provided in County Regulatory Agreement, (i) ten (10) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed thirty percent (30%) of the Santa Cruz County area median income, adjusted for household size; (ii) twelve (12) of the dwelling units in the Project shall be

rented, in perpetuity, to households whose incomes do not exceed forty percent (40%) of the Santa Cruz County area median income, adjusted for household size; (iii) sixteen (16) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed fifty percent (50%) of the Santa Cruz County area median income, adjusted for household size; (iv) thirteen (13) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed sixty percent (60%) of the Santa Cruz County area median income, adjusted for household size; and (v) five (5) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed eighty percent (80%) of the Santa Cruz County area median income, adjusted for household size, with all of such dwelling units rented at an affordable rent, pursuant to Health and Safety Code Section 50053(b). The Project shall also include one (1) unrestricted manager's unit. Notwithstanding the foregoing, however, if the Investor reasonably determines prior to the Close of Escrow that based on the Project's residual analysis test, maximum rent levels would need to be increased after the fifty-fifth (55th) year of operation, then the Planning Director shall have the right, in his or her sole and absolute discretion, to revise the form of the County Regulatory Agreement to permit such increases after the fifty-fifth (55th) year of operation, but only to the extent necessary to satisfy the Investor's residual analysis test.

12. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1 Developer's Formation, Qualification and Compliance. Developer represents and warrants that (a) it is validly existing and in good standing under the laws of the State of California, (b) it has all requisite authority to conduct its business and own and lease its properties, (c) it has all requisite authority to execute and perform its obligations under this Agreement, (d) this Agreement is binding upon Developer in accordance with its terms, and (e) the individuals executing this Agreement on behalf of Developer are duly authorized to execute and deliver this Agreement on behalf of Developer.

12.2 Litigation. Developer represents and warrants that there are no actions, lawsuits or proceedings pending or, to the best of Developer's knowledge, threatened against or affecting Developer, the adverse outcome of which could have a material adverse effect on Developer's ability to perform its obligations under this Agreement.

12.3 Successor Agency. Successor Agency represents and warrants that (a) it is validly existing and in good standing under the laws of the State of California, (b) it has all requisite authority to execute and perform its obligations under this Agreement, including the disposition of the Capitola Property pursuant to the terms of this Agreement, (c) this Agreement is binding upon Successor Agency in accordance with its terms, and (d) the individuals executing this Agreement on behalf of Successor Agency are duly authorized to execute and deliver this Agreement on behalf of Successor Agency. Successor Agency further represents and warrants that there are no actions, lawsuits, or legal proceedings pending or, to the knowledge of Successor Agency, threatened, against or affecting Successor Agency, the adverse outcome of which could have a material adverse effect on Successor Agency's ability to perform its obligations under this Agreement. As used in this Section 12.3, the phrase "knowledge of Successor Agency"

shall mean and refer to the actual knowledge of the County Administrative Officer, without duty of inquiry or investigation.

13. DEFAULTS AND REMEDIES

13.1 Event of Default. Any of the following events or occurrences with respect to either Party shall constitute a material breach of this Agreement and, after the expiration of any applicable cure period, shall constitute an “**Event of Default**” by such party:

(a) The failure by either Party to pay any amount in full when it is due under this Agreement, if the failure has continued for a period of ten (10) days after the Party entitled to payment demands in writing that the other Party cure that failure.

(b) The failure by either Party to perform any other obligation under this Agreement, if the failure has continued for a period of thirty (30) days after demand in writing that such Party cure the failure, or such shorter time period as may be provided for in one of the other Project Documents. If, however, by its nature the failure cannot reasonably be cured within said time period, such Party may have such longer period of time as is reasonably necessary to cure the failure, provided that such Party commences said cure within said thirty (30)-day period, and thereafter diligently prosecutes said cure to completion.

13.2 No Waiver. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

13.3 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

13.4 Attorneys’ Fees. If either Party to this Agreement is required to initiate or defend litigation in any way connected with this Agreement, the prevailing Party in such litigation, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys’ fees. If either Party to this Agreement is required to initiate or defend litigation with a third party because of the violation of any term or provision of this Agreement by the other Party, then the Party so litigating shall be entitled to reasonable attorneys’ fees from the other Party to this Agreement. Attorneys’ fees shall include attorney’s fees on any appeal, and in addition a Party entitled to attorney’s fees shall be entitled to all other reasonable costs for investigating such action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred with respect to such litigation. All such fees shall be deemed to have accrued

on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

13.5 Reimbursement of Successor Agency. Within thirty (30) days after its receipt of written demand from Successor Agency, Developer shall reimburse Successor Agency for all costs reasonably incurred by Successor Agency (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants) in connection with Successor Agency enforcement of the Project Documents and all related matters, including, without limitation, the following: (a) Successor Agency's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the Parties to any Project Document; and (b) all claims, demands, causes of action, liabilities, losses, and other costs against which any of the Indemnitees is indemnified under the Project Documents. Such reimbursement obligations shall bear interest from the date occurring fifteen (15) days after Successor Agency makes written demand to Developer at the rate of ten percent (10%) per annum or the maximum legal rate, whichever is less. Such reimbursement obligations shall survive termination of this Agreement.

14. NOTICES

Any notices, demands or other communications required or permitted to be given by any provision of this Agreement or which any party may desire to give the other shall be given in writing to the appropriate party, and shall be (a) delivered personally, (b) sent as a PDF or similar attachment to an e-mail, provided that such e-mail shall be followed with a hard copy sent by first-class mail, postage prepaid, within one (1) business day, (c) sent by certified mail, postage prepaid, or (d) sent by a reputable delivery service which provides a receipt with the time and date of delivery, addressed to a party, at the addresses set forth below, or to such other address as said party may hereafter or from time to time designate by written notice to the other party. All Notices shall be addressed as follows:

If to Developer:	MP Live Oak Associates, L.P. c/o MidPen Housing Corporation 303 Vintage Park Drive, Suite 250 Foster City, CA 94404 Attn: Jan Lindenthal Telephone No.: 650-356-2919 E-mail: jlindenthal@midpen-housing.org
If to Successor Agency:	Santa Cruz County Redevelopment Successor Agency 701 Ocean Street, Room 520 Santa Cruz, CA 95060 Attn: Assistant County Administrative Officer Telephone No.: 831-454-2100 E-mail: elissa.benson@santacruzcounty.us

with a copy to County of Santa Cruz
 701 Ocean Street, Room 418
 Santa Cruz, CA 95060
 Attn: Planning Director
 Telephone No.: 831-454-2332
 E-mail: HousingProgramsInfo@santacruzcounty.us

and to: Rutan & Tucker, LLP
 611 Anton, Suite 1400
 Costa Mesa, CA 92626
 Attn: Allison LeMoine-Bui, Esq.
 Telephone No.: 714-641-5100
 E-Mail: alemoine-bui@rutan.com

Notice given by United States Postal Service or delivery service as provided herein shall be considered given on the earlier of the date on which said notice is actually received by the party to whom such notice is addressed, or as of the date of delivery, whether accepted or refused, established by the United States Postal Service return receipt or such overnight carrier's receipt of delivery, as the case may be. Notice given by e-mail attachment as provided above shall be deemed given on the date on which the e-mail was sent, provided the recipient has confirmed receipt as evidenced by sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement, provided that, if recipient has not confirmed receipt of any notice or other communication to be delivered by e-mail attachment as provided above, notice shall be deemed given on the next business day, provided the such e-mail was followed up with a hard copy as required above). Any such notice not so given shall be deemed given upon receipt of the same by the party to which it is addressed

Addresses for notice may be changed from time to time by notice to the other Party. Notwithstanding that Notices shall be deemed given when delivered, the non-receipt of any Notice as the result of a change of address of which the sending Party was not notified shall be deemed receipt of such Notice.

15. ASSIGNMENT

15.1 Generally Prohibited. Except as otherwise expressly provided to the contrary in this Agreement, Developer shall not assign any of its rights or delegate any of its duties under this Agreement, nor shall any changes occur with respect to the ownership and/or control of Developer, including, without limitation, stock transfers, or transfers, sales or issuances of membership or ownership interests, or statutory conversions, without the prior written consent of the County Administrative Officer, which consent may be withheld in his or her sole and absolute discretion. Any such assignment or delegation without such consent shall, at Successor Agency's option, be void. Notwithstanding the foregoing, however, (i) Developer may transfer and assign its rights and duties hereunder to the Partnership without obtaining any consent, the Investor may

be admitted to the Partnership as a 99.99% Tax Credit limited partner without obtaining any consent, and such Investor may assign its interests as a 99.99% Tax Credit limited partner to a subsequent reputable institutional investor without any consent; (ii) the Investor may remove the general partner for a default under the Partnership Agreement, provided the replacement general partner is reasonably acceptable to Successor Agency; and (iii) the Partnership may transfer and assign its rights and duties hereunder to MidPen or an Affiliate of MidPen pursuant to the purchase option and/or right of first refusal entered into between MidPen and the Partnership. For purposes of this Section 15.1, if the Investor transfers to an entity in which the Investor or an Affiliate of the Investor is the administrative general partner or managing member such transferee entity shall be deemed to be a “reputable institutional investor.” This Section 15.1 shall not be applicable to the leasing of individual dwelling units to income eligible households in accordance with the County Regulatory Agreement.

15.2 Release of Developer. Upon any such assignment made in compliance with Section 15.1 above which is evidenced by a written assignment and assumption agreement in a form approved by Successor Agency’s counsel, the transferor shall be released from any liability under this Agreement arising from and after the effective date of such assignment.

15.3 Assignment of Agreement by Successor Agency to County. The Parties acknowledge and agree that at the Close of Escrow Successor Agency will assign all of its rights and obligations under this Agreement to the County of Santa Cruz pursuant to an assignment and assumption agreement in a form approved by special legal counsel to the County (the “**Successor Agency/County Assignment**”).

16. ADMINISTRATION

Following approval of this Agreement by Successor Agency, and prior to the Close of Escrow this Agreement shall be administered and executed on behalf of Successor Agency by the County Administrative Officer. The County Administrative Officer shall have the authority to issue interpretations, waive terms and conditions, and enter into implementing agreements and amendments of this Agreement (including, without limitation, to the Schedule of Performance) on behalf of Successor Agency provided that such actions do not substantially change the uses or development permitted on the Property, materially add to the costs or obligations, increase the risk of liability, or impair the rights or remedies, of Successor Agency provided herein, or materially decrease the revenues or other compensation to be received by Successor Agency hereby. All other waivers or amendments shall require the formal consent of the Board of Directors of Successor Agency and, if required by applicable law, of the Santa Cruz County Consolidated Redevelopment Successor Agency Oversight Board.

Following the Close of Escrow, and assignment of this Agreement to the County, this Agreement shall be administered and executed on behalf of the County by the Planning Director. The Planning Director shall have the authority to issue interpretations, waive terms and conditions, enter into subordination agreements with public funding sources where the public funding source’s regulations require such subordination, and

enter into implementing agreements and amendments of this Agreement (including, without limitation, to the Schedule of Performance) on behalf of the County provided that such actions do not substantially change the uses or development permitted on the Property, materially add to the costs or obligations, increase the risk of liability, or impair the rights or remedies, of the County provided herein, or materially decrease the revenues or other compensation to be received by the County hereby. All other waivers or amendments shall require the formal consent of the Board of Supervisors of the County.

17. MISCELLANEOUS

17.1 Counterparts. This Agreement may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

17.2 Prior Agreements; Amendments. This Agreement, along with the ENA, contains the entire agreement between Successor Agency and Developer with respect to the Property, and with the exception of the ENA, all prior negotiations, understandings and agreements are superseded by this Agreement. No modification of this Agreement (including waivers of rights and conditions) shall be effective unless in writing and signed by the Party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given.

This Agreement, along with the Predevelopment Agreement, contains the entire agreement between the County and Developer with respect to the Property and Project, and with the exception of the Predevelopment Agreement, all prior negotiations, understandings and agreements are superseded by this Agreement. No modification of this Agreement (including waivers of rights and conditions) shall be effective unless in writing and signed by the Party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. Following the Close of Escrow, the County agrees to consider in good faith making reasonable modifications to this Agreement that are necessary to finance the development of the Project.

17.3 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to conflict of law principles.

17.4 Acceptance of Service of Process. In the event that any legal action is commenced by Developer against Successor Agency, service of process on Successor Agency shall be made by personal service upon the County Administrative Officer or in such other manner as may be provided by law. In the event that any legal action is commenced by Successor Agency against Developer, service of process on Developer shall be made in such manner as may be provided by law.

17.5 Severability of Provisions. No provision of this Agreement that is held to be unenforceable or invalid shall affect the remaining provisions if and to the extent that the primary purposes of this Agreement can still be accomplished without materially impairing the rights or increasing the obligations or risks of each Party, as reasonably determined

by that Party, and to that extent all provisions of this Agreement are hereby declared to be severable.

17.6 Interpretation. Both Parties have participated in the drafting of this Agreement and any ambiguities in this Agreement shall not be construed for or against either Party on account of the authorship or presumed authorship hereof. Article and section headings are included in this Agreement for convenience of reference only and shall not be used in construing this Agreement. Any defined term used in the plural in this Agreement shall refer to all members of the relevant class and any defined term used in the singular shall refer to any of the members of the relevant class. References herein to Articles, Sections, and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The terms “including” and “include” mean “including (include) without limitation.”

17.7 Accounting Principles. Any accounting term used and not specifically defined in this Agreement shall be construed, and all financial data required to be submitted under this Agreement shall be prepared, in conformity with generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to Successor Agency.

17.8 Attachments Incorporated. All attachments to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

17.9 Time of the Essence. Time is of the essence of this Agreement.

17.10 Warranty Against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

17.11 Non-liability of Successor Agency or County Officials and Employees. No member, director, officer, employee, or volunteer of Successor Agency or the County shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by Successor Agency or for any amount which may become due to Developer or successor, or on any obligation under the terms of this Agreement.

17.12 Force Majeure. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God or other deities; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; litigation beyond the reasonable control of a Party; unusually severe weather; inability, despite commercially reasonable efforts, to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier beyond the reasonable control of a Party; acts of the other Party; acts or the failure to act of any public or governmental entity (except that acts or the failure to act of the County or Successor Agency shall not excuse performance by Successor Agency); or any other

acts or causes beyond the reasonable control of the Party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause. Force Majeure shall serve also to extend the time by which any condition, for the benefit of either Party, shall be satisfied under this Agreement. Notwithstanding any provision of this Agreement to the contrary, in no event shall adverse market conditions, interest rates, the lack of funding or difficulty obtaining the financing necessary to complete the Project constitute grounds of enforced delay pursuant to this Section.

17.13 Developer Covenant to Defend this Agreement. Developer acknowledges that each of Successor Agency and the County is a “public entity” and/or a “public agency” as defined under applicable California law. Therefore, Successor Agency and the County must satisfy the requirements of certain California statutes relating to the actions of public entities, including, without limitation, CEQA. Also, as a California public body, Successor Agency’s action in approving this Agreement, and the County’s action in approving assumption of this Agreement, may be subject to proceedings to invalidate this Agreement or mandamus. Developer assumes the risk of delays and damages that may result to Developer from any third-party legal actions related to Successor Agency’s and/or the County’s approval of this Agreement or the pursuit of the activities contemplated by this Agreement, including, without limitation, the County’s approval of any Project approvals and issuance of any permits required for development of the Project, even in the event that an error, omission or abuse of discretion by Successor Agency and/or the County is determined to have occurred. If a third-party files a legal action regarding Successor Agency’s and/or the County’s approval of this Agreement or the pursuit of the activities contemplated by this Agreement, including, without limitation, the County’s approval of any Project approvals and issuance of any permits required for development of the Project, Successor Agency may terminate this Agreement on thirty (30) days written notice to Developer of Successor Agency’s intent to terminate this Agreement, referencing this Section 17.13, without any further obligation to perform the terms of this Agreement and without any liability to Developer resulting from such termination, unless Developer unconditionally agrees to indemnify and defend the Indemnitees, with legal counsel reasonably acceptable to Successor Agency and the County, against such third-party legal action, as provided hereinafter in this Section 17.13; provided, however, that Successor Agency’s right to terminate under this Section 17.13 shall terminate upon conveyance of the Property to Developer. Within thirty (30) days after receipt of Successor Agency’s notice of intent to terminate this Agreement, as provided in the preceding sentence, Developer may in Developer’s sole and absolute discretion offer to defend Successor Agency and the County, with legal counsel reasonably acceptable to Successor Agency, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. At the request of Developer, Successor Agency shall cooperate with and assist Developer in its defense of any such third-party legal action, provided that Successor Agency shall not be obligated to incur any expense in connection with such cooperation or assistance.

17.14 Nondiscrimination Covenants. Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Property on any of the bases listed above in this Section 17.14. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or

occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(c) In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Section 17.14 shall, without regard to technical classification and designation, be binding for the benefit and in favor of Successor Agency and its successors and assigns, and shall remain in effect in perpetuity.

17.15 Consents and Approvals. Unless otherwise expressly set forth in this Agreement, any consents or approvals to be given by a Party under this Agreement shall not be unreasonably withheld, conditioned or delayed.

17.16 Third Party Beneficiary. The County is an intended third party beneficiary of this Agreement and shall have the right, but not the obligation, to enforce its terms including the rights and benefits that Successor Agency has under this Agreement. Except as provided in this Section 17.16, no person or entity other than Successor Agency, Developer, and the County, and the permitted successors and assigns of each of them, shall be authorized to enforce the provisions of this Agreement.

17.17 Termination. This Agreement shall automatically terminate upon the County’s issuance of a Release of Construction Covenants for the Project. Such termination shall not terminate any indemnification obligations set forth in this Agreement, or any other provisions in this Agreement which are expressly stated either in this Agreement or in the County Note, County Deed of Trust, or County Regulatory Agreement to survive termination of this Agreement.

[End of Agreement – Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed.

"Successor Agency"

**SANTA CRUZ COUNTY REDEVELOPMENT
SUCCESSOR AGENCY**, a public body,
corporate and politic

Date: _____

By: _____
Carlos J. Palacios, County Administrative
Officer

"Developer"

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation

Its: Sole member/manager

Date: October 16, 2019

By: 
Matthew O. Franklin
Assistant Secretary

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

[Additional Signature page to
Affordable Housing and Property Disposition Agreement]

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP


Allison LeMoine-Bui
Successor Agency Counsel

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

ATTACHMENTS

- 1 - Legal Description of Capitola Property
- 2 - Proposed Subdivisions
- 3 - Schedule of Performance
- 4 - Scope of Development
- 5 - Form of Grant Deed
- 6 - Form of Assignment of Contract
- 7 - Form of County Note
- 8 - Form of County Deed of Trust
- 9 - Project Budget
- 10 - Form of County Regulatory Agreement
- 11 - Form of Notice of Affordability
- 12 - Form of Release of Construction Covenants

ATTACHMENT NO. 1**LEGAL DESCRIPTION OF CAPITOLA PROPERTY**

The land referred to herein is described as follows:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEING A PART OF LOT 3, AS THE SAME IS SHOWN UPON THAT CERTAIN MAP ENTITLED "WILSON BROTHERS SUBDIVISION NO. 1", FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CRUZ COUNTY ON JUNE 6, 1916 IN MAP BOOK 18 AT PAGE 22, SANTA CRUZ COUNTY RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHERLY SIDE OF LOWER SOQUEL ROAD AS THE SAME IS SHOWN UPON THE ABOVE MENTIONED MAP, FROM WHICH THE NORTHWESTERLY CORNER OF LOT 1 AS SHOWN ON THE ABOVE MENTIONED MAP, BEARS SOUTH 69° 43' EAST 247.80 FEET DISTANT; THENCE LEAVING THE SOUTHERLY SIDE OF SAID COUNTY ROAD SOUTH 13° 50' WEST 406.79 FEET TO A STATION ON THE NORTHERLY BOUNDARY OF LOT 11 IN SAID TRACT; THENCE ALONG THE LAST MENTIONED BOUNDARY NORTH 75° 43' WEST 113.28 FEET TO A STATION; THENCE NORTH 13° 50' EAST 418.71 FEET TO THE SOUTHERLY SIDE OF SAID FIRST MENTIONED COUNTY ROAD; THENCE ALONG THE SOUTHERLY SIDE OF SAID ROAD SOUTH 69° 43' EAST 114.00 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF AS WAS CONVEYED IN THE DEED FROM FRANK DUARTE, ET UX., TO THE COUNTY OF SANTA CRUZ, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, RECORDED NOVEMBER 10, 1960 IN VOLUME 1354, PAGE 213, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

APN: 026-193-42

PARCEL TWO:

BEING A PART OF LOTS 2 AND 3 AS THE SAME ARE SHOWN UPON THAT CERTAIN MAP ENTITLED "WILSON BROTHERS SUBDIVISION NO. 1" FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CRUZ COUNTY ON JUNE 6, 1916 IN MAP BOOK 18 AT PAGE 22, SANTA CRUZ COUNTY RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHERLY SIDE OF THE LOWER SOQUEL ROAD, AS THE SAME IS SHOWN UPON THE ABOVE MENTIONED MAP, FROM WHICH THE NORTHWESTERLY CORNER OF LOT 1 AS SHOWN UPON THE ABOVE

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

MENTIONED MAP BEARS SOUTH 69° 43' EAST 172.80 FEET DISTANT; THENCE LEAVING THE SOUTHERLY SIDE OF SAID COUNTY ROAD SOUTH 13° 50' EAST 398.33 FEET TO A STATION ON THE NORTHERLY BOUNDARY OF LOT 12 IN SAID TRACT; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE NORTHERLY BOUNDARY OF LOT 11 IN SAID TRACT NORTH 75° 43' WEST 74.255 FEET TO A STATION; THENCE NORTH 13° 50' EAST 406.79 FEET TO THE SOUTHERLY SIDE OF SAID FIRST MENTIONED COUNTY ROAD; THENCE SOUTH 69° 43' WEST 75 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO COUNTY OF SANTA CRUZ FOR THE WIDENING OF CAPITOLA ROAD BY DEED FROM CABRILLO DEVELOPMENT COMPANY, DATED AUGUST 30, 1960, RECORDED NOVEMBER 2, 1960 IN VOLUME 1352, PAGE 535, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

APN: 026-193-43

PARCEL THREE:

BEING a part of Lots 3 and 4, as the same are shown upon that certain map entitled "Wilson Brothers Subdivision No. 1", filed for record in the Office of the County Recorder of Santa Cruz County on June 6, 1916 in Map Book 18 at Page 22, Santa Cruz County Records and being more particularly bounded and described as follows:

BEGINNING at a station on the Southerly side of Lower Soquel or Capitola Road, from which the Southwest corner of said Lower Soquel or Capitola Road and Seventeenth Avenue, as the same are shown on the above mentioned Map bears South 69° 43' East 563.06 feet distant; said point of beginning being also the most Northerly corner of that certain parcel of land conveyed by J. S. Harwood, et al, to F. G. Wilson, et al, by Deed of Trust recorded in Volume 9 of Trust Deeds, Page 229, Santa Cruz County Recors; thence along the Westerly boundary of said last mentioned tract of land South 18° 50' West 418.87 feet to the Northerly boundary of Lot 11 as shown on said Map; thence along the Northerly boundary of said Lot 11 and Lot 10 North 75° 43' West 103.90 feet; thence in a straight line 429.49 feet to a point on the said Lower Soquel Road, distant 102.09 feet Westerly from the said point of beginning; South 69° 43' East and along said line of the said Lower Soquel Road 102.09 feet to the point of beginning.

EXCEPTING THEREFROM so much of the above described land as was conveyed by Walter Goulard, to County of Santa Cruz, a political subdivision of the State of California, recorded July 13, 1960 in Volume 1330, Page 162, Official Records of Santa Cruz County.

APN: 026-193-41

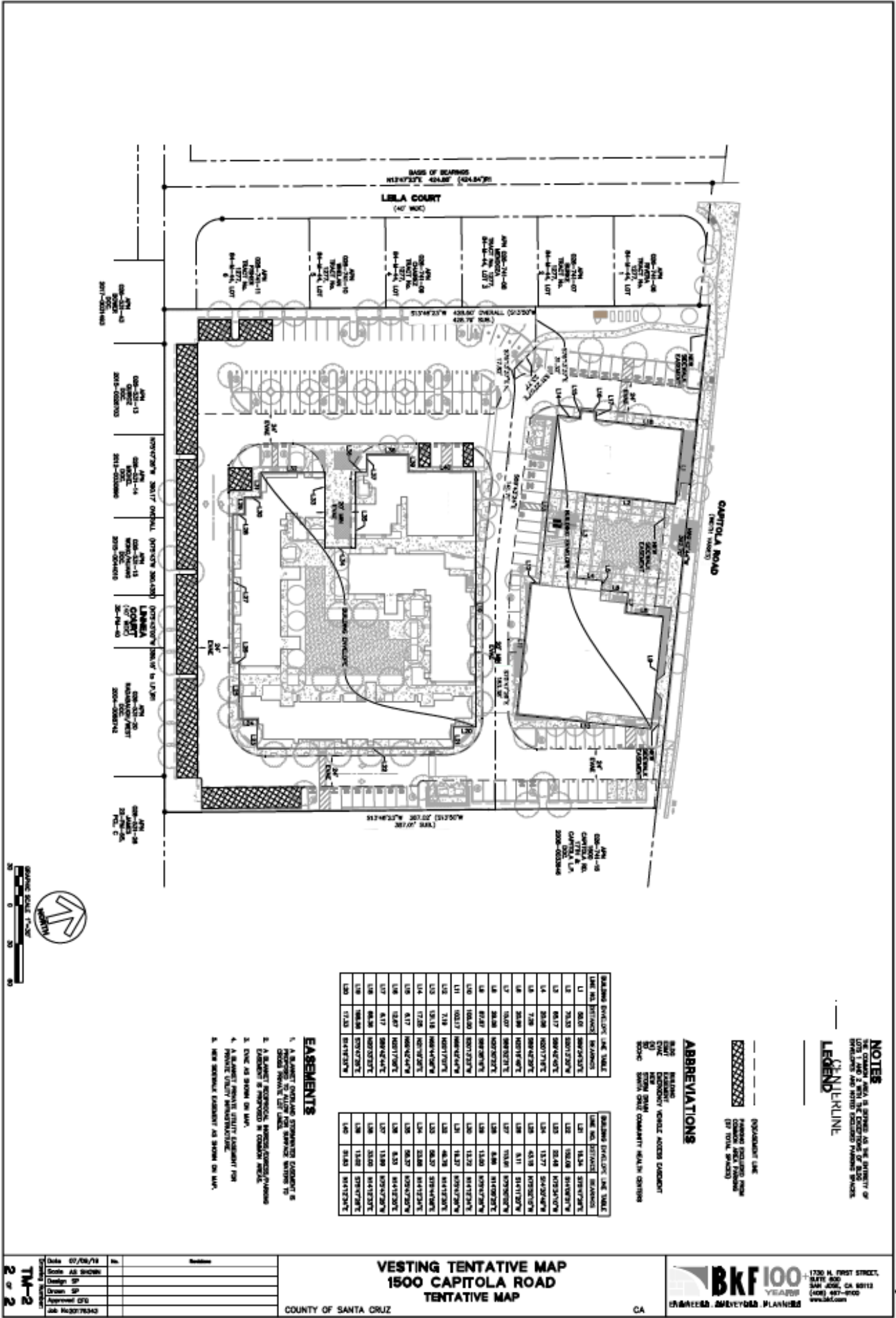
ATTACHMENT NO. 2
PROPOSED SUBDIVISIONS

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

Packet Pg. 282

DRAWING NAME: \\BKF\BKF\proj\2017\1706278.8-Capitola\DWG\PLANNING\TM2\17C_TM2P-PREP.dwg
PLOT DATE: 07-08-18 PLOTTED BY: shw



Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

ATTACHMENT NO. 3
SCHEDULE OF PERFORMANCE

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

<u>Task/Event</u>	<u>Time for Performance</u>
1. Developer submits copies of Developer's most recent audited Financial Statement and most recent internally prepared, unaudited financial statement (Section 6.5)	Within five (5) days after the Effective Date
2. Successor Agency provides Preliminary Title Report for the Capitola Property (Section 5.8)	Within thirty (30) days after the Effective Date
3. Developer provides written notice of approval or disapproval of Title Exceptions (Section 5.8)	Within fifteen (15) days of the later of the receipt of the Preliminary Title Report or the date Developer receives the documents underlying Title Exceptions
4. Developer to submit application for all discretionary permits (Section 4)	<u>Complete</u>
5. Developer provides to Successor Agency a copy of all reports, studies and test results prepared by Developer's consultants, without representation or warranty (Section 5.1)	Within five (5) days after Developer's receipt
6. Developer submits evidence of preliminary commitments for Project financing to County Administrative Officer (Section 6.6)	Within five (5) days of Developer's receipt of formal written notification of preliminary award by financing entity
7. Developer submits Project design plans (construction plans for building permit) to Successor Agency (Section 10.3)	Within ninety (90) days of obtaining all preliminary commitments for Project Financing
8. Successor Agency approval of Project design plans (construction plans for building permit) (Section 10.3)	Within thirty (30) days after Developer's submission to Successor Agency
9. Developer provides evidence of insurance to Successor Agency (Sections 7.2(b), 10.6)	Prior to, and as a condition of, the Close of Escrow
10. Successor Agency approves or disapproves Developer's evidence of insurance (Sections 7.2(b), 10.6)	Within fifteen (15) days after submittal by Developer

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

- | | |
|---|--|
| 11. Developer executes and delivers to Successor Agency or Escrow Holder Grant Deed, County Regulatory Agreement, County Deed of Trust, and Notice of Affordability Restrictions (Section 7.2(r)) | Prior to, and as a condition of, the Close of Escrow |
| 12. Successor Agency executes and delivers to Escrow Holder Grant Deed, County Regulatory Agreement, and Notice of Affordability Restrictions (Section 8.1) | Prior to, and as a condition of, the Close of Escrow |
| 13. Developer executes and delivers to Successor Agency the County Note (Section 7.2(r)) | Prior to, and as a condition of, the Close of Escrow |
| 14. All of Developer's and County's conditions precedent to the Close of Escrow have been satisfied, or waived by the appropriate Party, and the Close of Escrow occurs (Section 8.1) | No later than the Outside Closing Date |
| 15. Developer submits an application to TCAC for 9% Tax Credits (Section 6.3) | In the first round of applications for 9% Tax Credits following the Effective Date; and if despite Developer's good faith efforts to obtain an allocation in such round, and due to no fault of Developer, Developer does not receive such an allocation, then in the second round of applications for 9% Tax Credits following the Effective Date |
| 16. If despite Developer's good faith efforts to obtain an allocation of 9% Tax Credits in the first and second round of applications for 9% Tax Credits following the Effective Date, and due to no fault of Developer, Developer does not receive such an allocation, Developer submits an application to CDLAC for Tax-Exempt bonds, and an application to TCAC for 4% Tax Credits (Section 6.3) | Within twenty four (24) months after the Effective Date |

- | | | |
|-----|---|--|
| 17. | Developer submits to the County Administrative Officer for review and approval all preliminary commitments for the Project Financing (Section 6.6) | Promptly upon receipt of an allocation of Tax Credits from TCAC |
| 18. | Close of Developer's Project Financing (if early closing occurs pursuant to Section 2.2(a)) | Not later than December 31, 2021 |
| 19. | Escrow Holder disburses portions of County Development Loan (Section 9.1) | Within fifteen (15) days after Escrow Holder's receipt of a satisfactory disbursement request, approved by County |
| 20. | Developer submits to Planning Director person or entity proposed as the Property Manager (County Regulatory Agreement, Section 7.01) | Within ninety (90) days prior to Developer's completion of Project. |
| 21. | Developer submits for Planning Director's review and approval, Management Plan for the Project (County Regulatory Agreement, Section 7.02) | Within ninety (90) days prior to Developer's completion of Project |
| 22. | Developer completes construction of the Project, obtains a certificate of occupancy from the County (or equivalent document if County does not issue certificate of occupancy), and requests County issue of Release of Construction Covenants (Sections 10.1 and 10.5) | Within twenty (20) months after Developer commences construction |
| 23. | County issues a Release of Construction Covenants or provides Developer with a written explanation why a Release of Construction Covenants shall not be issued (Section 10.15) | Within ten (10) business days after County receipt of written request from Developer for Release of Construction Covenants pursuant to Section 10.5 of the Agreement |
| 24. | Developer set aside Operating Reserve and Capital Replacement Reserve and provides evidence thereof to Planning Director (County Regulatory Agreement, Sections 10 & 11) | At close of Take-Out Loan |
| 25. | Developer performs final audit to determine Cost Savings for the Project (Section 6.8a) | Prior to the Conversion Date |

- | | | |
|-----|--|---|
| 26. | Developer provides Cost Savings to County (Section 6.8b) | The later of sixty (60) days after receipt by Developer of the final investor capital contribution and County's issuance of a Release of Construction Covenants |
| 27. | Developer submits to County an accounting of the Capital Replacement Reserve. (Affordable Housing Regulatory Agreement, Section 10) | On or before April 1 of each year subsequent to completion of construction of the Project. |
| 28. | Developer submits annual report pursuant to Health and Safety Code Section 33418 to County (County Regulatory Agreement, Section 9.02) | No later than September 1 following the June 30 end of each fiscal year for the term of the County Regulatory Agreement |

It is expressly understood and agreed by the Parties that the foregoing schedule of performance is subject to all of the terms and conditions set forth in the text of the Agreement including, without limitation, extension due to Force Majeure. Times of performance under the Agreement may be extended by request of any Party memorialized by a mutual written agreement between the Parties, which agreement may be granted or denied in the non-requesting Party's sole and absolute discretion (subject to events of force majeure set forth in this Agreement).

ATTACHMENT NO. 4**SCOPE OF DEVELOPMENT**

The Project will be comprised of four wood-framed buildings no more than three stories tall. The buildings will house one, two, and three bedroom rental apartments with adjacent on-grade parking for residents and their guests, as well as parking shared between the Project and the adjacent Dientes Component of Capitola Project and SCCHC Component of Capitola Project. The Project will contain 57 rental apartments. One of these apartments will be reserved for the manager to live on-site. In addition to the residential apartments, the Project will include common area facilities, including landscaped outdoor space, an indoor community space, a leasing office, a resident services office, a laundry room and a bicycle storage room. Additional features will include a maintenance shed and a trash enclosure. The Project will have access to Capitola Road by two vehicular drive aisles and a pedestrian pathway.

The Project shall be developed in compliance with the terms and conditions of Resolution No. 2019-08, adopted by the Santa Cruz Board of Supervisors on November 5, 2019, and all conditions of approval issued in connection therewith.

ATTACHMENT NO. 5
FORM OF GRANT DEED

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

MP Live Oak Associates, L.P.
303 Vintage Park Drive, Suite 250
Foster City, CA 94404
Attn: _____

AND ALL TAX STATEMENTS TO:

SAME AS ABOVE

(Space Above for Recorder's Use)
Exempt from Recordation Fee per Gov. Code
§ 27383

DOCUMENTARY TRANSFER TAX IS
\$_____ Computed on the
consideration or value of property
conveyed.

The undersigned declares exemption
under the following: Exempt from fee per
Government Code Section 27388.1
(a)(2); recorded concurrently in
connection with a transfer subject to the
imposition of documentary transfer tax

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY, a public body, corporate and politic ("**Grantor**"), hereby grants to MP LIVE OAK ASSOCIATES, L.P., a California limited partnership ("**Grantee**"), the real property located in the County of Santa Cruz, State of California, described on Exhibit 1 attached hereto and made a part hereof (the "**Property**"), with all improvements thereon, subject to all matters of record and subject to the following:

Grantee, on behalf of itself and its successors and assigns to all or any portion of the Property, covenants and agrees as follows:

1. Nondiscrimination Covenants. Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or

occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land. The foregoing covenants shall run with the land.

2. Nondiscrimination Clauses in Agreements. Grantee agrees for itself and any successor in interest that Grantee shall refrain from restricting the rental, sale, or lease of any portion of the Property, or contracts relating to the rental, sale, or lease of the Property, on the basis of race, color, creed, religion, sex, marital status, ancestry, or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) In contracts relating to the sale, transfer, or leasing of the land or any interest therein: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection,

location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The foregoing nondiscrimination covenants shall remain in effect in perpetuity.

[Signatures on next page]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

GRANTOR:

**SANTA CRUZ COUNTY REDEVELOPMENT
SUCCESSOR AGENCY**, a public body,
corporate and politic

Date: _____

By: _____
Carlos J. Palacios, County Administrative
Officer

ATTEST:

GRANTEE:

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation
Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit 1 to Grant Deed

Legal Description

[To be inserted prior to Close of Escrow]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

ATTACHMENT NO. 6
ASSIGNMENT OF ARCHITECTURAL AGREEMENTS

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS

FOR VALUE RECEIVED, the undersigned, MP LIVE OAK ASSOCIATES, L.P., a California limited partnership ("**Developer**"), assigns to COUNTY OF SANTA CRUZ, a political subdivision of the State of California ("**County**"), all of its right, title and interest in and to:

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, "**Architectural Agreements**"), and

2. All plans and specifications, blueprints, sketches, shop drawings, working drawings, landscape plans, utilities plans, soils reports, noise studies, environmental assessment reports, and grading plans, and all amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively, "**Plans and Specifications**"), heretofore or hereafter entered into or prepared by any architect, engineer or other person or entity (collectively, "**Architect**"), for or on behalf of Developer in connection with the Real Property described on Exhibit "A" attached hereto. The Plans and Specifications, as of the date hereof, are those which Developer have heretofore, or will hereafter deliver to County. The Architectural Agreements include, but are not limited to, the architectural agreement or contract between Wald, Ruhnke, & Dost Architects LLP and MidPen Housing Corporation, dated June 6, 2018.

This ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS ("**Assignment**") constitutes a present, absolute and unconditional assignment to County.

Developer acknowledges that by accepting this Assignment, County does not assume any of Developer's obligations under the Architectural Agreements with respect to the Plans and Specifications.

Developer represents and warrants to County that: (a) no default by Developer, or event which would constitute a default by Developer after notice or the passage of time, or both, exists with respect to said Architectural Agreements, and (b) all copies of the Architectural Agreements and Plans and Specifications delivered to County are complete and correct. Developer has not assigned any of its rights under the Architectural Agreements or with respect to the Plans and Specifications. Notwithstanding the foregoing, this Assignment shall be subordinated to any assignment required to be made by Developer to the "Construction Lender" (as that term is defined in that certain Affordable Housing and Property Disposition Agreement entered into by and between the Santa Cruz County Redevelopment Successor Agency (the predecessor-in-interest to County) and Developer on or about January __, 2020 (the "**AHPDA**")) at the "Close of Escrow" (as that term is defined in the AHPDA).

This Assignment shall be governed by the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California, and Developer consents to the jurisdiction of any federal or state court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorneys' fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Developer and County.

The attached Architect's/Engineer's Consent and Exhibit "A" are incorporated by reference.

Executed by _____ on _____, 20__.

"Developer"

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation
Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

"County"

COUNTY OF SANTA CRUZ, a political subdivision
of the State of California

Date: _____

By: _____
Kathleen Molloy, Planning Director

ARCHITECT'S/ENGINEER'S CONSENT

The undersigned architect and/or engineer (collectively referred to as "**Architect**") hereby consents to the foregoing Assignment to which this Architect's/Engineer's Consent ("**Consent**") is a part, and acknowledges that there presently exists no unpaid claims due to the Architect/Engineer arising out of the preparation and delivery of the Plans and Specifications to _____ and/or the performance of the Architect's obligations under the Architectural Agreements described in the Assignment.

Architect agrees that, by virtue of the foregoing Assignment, County has succeeded to all of _____'s right, title and interest in, to and under the Architectural Agreements and the Plans and Specifications and, therefore, so long as the Architect continues to receive the compensation called for under the Architectural Agreements, County and its successors and assigns may, at their option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Architectural Agreements for the benefit and account of County and its successors and assigns in the same manner as if performed for the benefit or account of _____ in the absence of the Assignment.

Architect warrants and presents that it/he has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Architectural Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

Executed on _____, 20__.

"Architect"

_____,
a _____

By: _____

Name: _____

Its: _____

Architect's Address:

Phone No.: (____) _____

Fax No.: (____) _____

EXHIBIT "A"**PROPERTY DESCRIPTION**

[To be inserted prior to Close of Escrow]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

ATTACHMENT NO. 7**COUNTY NOTE**

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

PROMISSORY NOTE

\$5,315,585

_____, 20__

Santa Cruz, California

FOR VALUE RECEIVED, MP LIVE OAK ASSOCIATES, L.P., a California limited partnership ("**Borrower**"), as maker and obligor, promises to pay to the **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California ("**County**"), as holder and beneficiary, or order, at County's office at 701 Ocean Street, Room 418, Santa Cruz, CA 95060, or such other place as County may designate in writing, the sum of (a) Five Million Three Hundred Fifteen Thousand Dollars (\$5,315,585), or so much thereof as may be disbursed hereunder ("**Note Amount**"), and (b) all costs and expenses payable hereunder, in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

1. Agreement. This County Promissory Note ("**Note**") is given in accordance with that certain Affordable Housing and Property Disposition Agreement executed by the Santa Cruz County Redevelopment Successor Agency ("**Successor Agency**"), as "Successor Agency," and thereafter assigned by Successor Agency to County, and Borrower, dated as of January __, 2020 ("**Agreement**"). The rights and obligations of Borrower and County under this Note shall be governed by the Agreement and by the additional terms set forth in this Note. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Agreement. An Event of Default by Developer under any of the provisions of the Agreement, and/or a default under any and all attachments and all breakout documents executed, attested and/or recorded in implementation of the Agreement, including, without limitation, the County Deed of Trust and County Regulatory Agreement, or the income and/or rent restrictions as set forth in the regulatory agreement which may be required to be recorded against the Property with respect to the issuance of Tax Credits for the Project and/or the regulatory agreement with the institutional lender responsible for placing the Tax-Exempt Bonds (collectively, the "**Transaction Documents**") shall, after the expiration of any cure period under the respective agreement or document, be a default under this Note (a "**Default**"), and a default under this Note, after notice and expiration of a ten (10) day cure period, shall be an Event of Default under the Agreement and a default under the Transaction Documents.

2. Interest. The Note Amount shall bear simple interest at three percent (3%) per annum.

3. Repayment of Note Amount. The Note Amount shall be paid by the Borrower's annual payment to County of fifty percent (50%) of the Residual Receipts from operation of the Project, as determined by a Residual Receipts calculation from the

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

operation of the Project the preceding calendar year; provided, however, that said fifty percent (50%) shall be divided proportionately with the lender(s) of any other loan(s) obtained by Borrower that is payable from Residual Receipts. Annual Residual Receipts payments shall be made by the Borrower by cashier's check and shall be delivered on or before June 1st for each year during the term of this Note commencing in the first calendar year following the date construction of the Project has been completed, as evidenced by Borrower's obtainment of a certificate of occupancy (or other equivalent document, if the County of Santa Cruz does not issue certificates of occupancy), and continuing until the Note Amount and all unpaid interest thereon has been repaid in full. Additionally, the Note Amount shall be paid by any or all of the following: (i) one hundred percent (100%) of the Refinancing Net Proceeds immediately upon any refinancing of the loans secured by the Property (or any part thereof), subject to any required pro rata split with other public agency lenders, to the extent applicable, (ii) one hundred percent (100%) of the Transfer Net Proceeds immediately upon any transfer in whole or in part of the Project, subject to any required pro rata split with other public agency lenders, to the extent applicable, and (iii) any Cost Savings, pursuant to Section 6.8 of the Agreement.

As used herein, "*Affiliate*" means any "Person," directly or indirectly, "Controlling" or "Controlled" by or under common "Control" with Borrower, whether by direct or indirect ownership of equity interests, by contract or otherwise, where "**Person**" means any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind, "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of equity interests, by contract or otherwise, and "**Controlling**" and "**Controlled**" means exercising or having Control.

As used herein, "*Annual Financial Statement*" means each certified financial statement of Borrower for the Project using generally accepted accounting principles ("GAAP"), as separately accounted for this Project, including Operating Expenses and Annual Project Revenue, prepared annually at Borrower's expense, by an independent certified public accountant reasonably acceptable to County.

As used herein, "*Annual Project Revenue*" means all gross income and all revenues of any kind from the Project in a calendar year, of whatever form or nature, whether direct or indirect, with the exception of the items excluded below, actually received by or paid to or for the account or benefit of Borrower or any of their agents or employees, from any and all sources, resulting from or attributable to the ownership, operation, leasing and occupancy of the Project, determined on the basis of generally accepted accounting principles applied on a consistent basis, and shall include, but not be limited to: (i) gross rentals paid by tenants of the Project under leases, and payments and subsidies of whatever nature, including without limitation any payments, vouchers or subsidies from the U.S. Department of Housing and Urban Development or any other person or organization, received on behalf of tenants under their leases, (ii) amounts paid by residents of the Project to Borrower or any Affiliate of Borrower on account of Operating Expenses for further disbursement by Borrower or such Affiliate to a third party or parties,

(iii) late charges and interest paid on rentals, (iv) rents and receipts from licenses, concessions, vending machines, coin laundry and similar sources, (v) other fees, charges or payments not denominated as rental but payable to Borrower in connection with the rental of office, retail, storage, or other space in the Project, (vi) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases, and (vii) interest and other investment earnings on security deposits, reserve accounts and other Project accounts to the extent disbursed for other than the purpose of the reserve. Notwithstanding the foregoing, gross income shall not include the following items: (a) security deposits from tenants (except when applied by Borrower to rent or other amounts owing by tenants); (b) capital contributions to Borrower by its members, partners or shareholders (including capital contributions required to pay any Deferred Developer Fee); (c) condemnation or insurance proceeds; (d) funds received from any source actually and directly used for initial development of the Project; (e) receipt by an Affiliate of management fees or other bona fide arms-length payments for reasonable and necessary Operating Expenses associated with the Project; (f) Transfer Net Proceeds; or (g) Refinancing Net Proceeds.

As used herein "*Capital Replacement Reserve*" shall have the meaning ascribed thereto in the County Regulatory Agreement.

As used herein, "*CPI Adjustment*" means the increase in the cost of living index, as measured by the Consumer Price Index for all urban consumers, San Francisco-Oakland-Hayward statistical area, all items (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics ("CPI") in effect as of the date on which a certificate of occupancy is issued for the Project (or other equivalent document if the County of Santa Cruz does not issue certificates of occupancy) to the CPI in effect as of the date on which an adjustment is made. If such index is discontinued or revised, such other index with which such index is replaced (or if not replaced, another index which reasonably reflects and monitors consumer prices) shall be used in order to obtain substantially the same results as would have been obtained if the discontinued index had not been discontinued or revised. If the CPI is changed so that the base year is other than 1982-84, the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

As used herein, "*Debt Service*" means payments made in a calendar year pursuant to the approved Construction Loan or the Take-Out Loan, as applicable, obtained for the construction/development, and ownership of the Project, as set forth in the Project Budget, or any permitted refinancing or modification thereof, but excluding payments made pursuant to this Note, and payments made on any other "soft" debt.

As used herein, "*Deferred Developer Fee*" means the portion of the Borrower's development fee, if any, that is payable out of the Annual Project Revenue and not from capital sources, as set forth in the Project Budget. Disbursement of the Deferred Developer Fee (all or any part thereof) shall be subject to the provisions of the next paragraph.

In connection with Borrower's eligibility to disburse all or any part of the Deferred Developer Fee, in the event the cost of completing the Project exceeds the amount set forth in the final Budget; then, to the extent necessary, the funds otherwise available to pay the developer fee from capital sources shall be expended and used to pay the remaining costs of completing the Project to the extent necessary to ensure the completion of the Project and the balance of the developer fee shall be paid as Deferred Developer Fee in accordance with the priority set forth in the Partnership Agreement, and/or payable from the proceeds of any approved refinancing or transfer of the Property and/or the Project. In no event shall Borrower be eligible for disbursement of the Deferred Developer Fee or any part thereof prior to completion of the Project, as approved by the Planning Director as evidenced by the issuance by County of the Release of Construction Covenants.

As used herein, "*Operating Expenses*" means actual, reasonable and customary (for comparable high quality rental developments in Santa Cruz County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Project in a calendar year, which are in accordance with the annual Operating Budget approved by County pursuant to Section 9 of the County Regulatory Agreement, including, without limitation, painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, fees and expenses of property management, fees and expenses of accountants, attorneys and other professionals, and other actual, reasonable and customary operating costs which are directly incurred and paid by Borrower, but which are not paid from or eligible to be paid from the Operating Reserve or any other reserve accounts. In addition, Operating Expenses shall include a social services fee in an amount approved by County, as evidenced by County's approval of Borrower's Project Budget, which amount shall be increased annually thereafter by three percent (3%) per year, provided Borrower provides the social services described in (a) the Tenant Services Agreement that was included in Borrower's tax credit application, and (b) the Scope of Development. Operating Expenses shall not include any of the following: (i) salaries of employees of Borrower or Borrower's general overhead expenses, or expenses, costs and fees paid to an Affiliate of Borrower, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms' length transaction between unrelated parties in the Santa Cruz County area for the same work or services; (ii) any amounts paid directly by a tenant of the Project to a third party in connection with expenses which, if incurred by Borrower, would be Operating Expenses; (iii) optional or elective payments with respect to the Construction Loan; (iv) any payments with respect to any Project-related loan or financing that has not been approved by County; (v) expenses, expenditures, and charges of any nature whatsoever arising or incurred by Borrower prior to completion of the Project with respect to the development of the Project, or any portion thereof, including, without limitation, all predevelopment and preconstruction activities conducted by Borrower in connection with the Project, including without limitation, the preparation of all plans and the performance of any tests, studies, investigations or other work, and the construction of the Project and any on site or off site work in connection therewith; or (vi)

depreciation, amortization, and accrued principal and interest expense on deferred payment debt.

As used herein, “*Operating Reserve*” shall have the meaning ascribed thereto in the County Regulatory Agreement.

As used herein, “*Partnership Agreement*” means the agreement which sets forth the terms of the Borrower’s limited partnership, as such agreement may be amended from time to time.

As used herein, “*Refinancing Net Proceeds*” means the proceeds of any approved refinancing of the Construction Loan, the Take-Out Loan, or other approved financing secured by the Property, net of the following actual costs and fees incurred: (i) the amount of the financing which is satisfied out of such proceeds, (ii) reasonable and customary costs and expenses incurred in connection with the refinancing, (iii) the balance, if any, of the Deferred Developer Fee, (iv) the balance, if any, of authorized loans to the Project made by the limited partners of Borrower, including interest at the rate set forth in the Partnership Agreement for such loans, (v) the balance, if any, of authorized operating loans or development loans made by the general partners of a limited partnership that succeeds to Borrower’s interest in the Agreement and the Project, including interest at the rate set forth in the Partnership Agreement for such loans, (vi) the return of capital contributions, if any, to the Project made by the general partners of a limited partnership that succeeds to Borrower’s interest in the Agreement and the Project, and (vii) the amount of proceeds required to be reserved for the repair, rehabilitation, reconstruction or refurbishment of the Project.

As used herein, “*Reserve Deposits*” means any payments to the Capital Replacement Reserve account and payments to the Operating Reserve account pursuant to Sections 10 and 11, respectively, of County Regulatory Agreement or such higher amounts as may be otherwise required by (i) any lender of a Project-related loan that has been approved by County, or (ii) the Investor, pursuant to the terms of the Partnership Agreement.

As used herein, “*Residual Receipts*” means Annual Project Revenue less the sum of:

- (i) Operating Expenses;
- (ii) Debt Service;
- (iii) Reserve Deposits to the Capital Replacement Reserve;
- (iv) Reserve Deposits to the Operating Reserve;
- (v) Deferred Developer Fees;

(vi) Unpaid Tax Credit adjustment amounts, if any, pursuant to the Partnership Agreement;

(vii) Current asset management fee in an amount approved by County, as evidenced by County's approval of Borrower's Project Budget, which shall be increased annually thereafter by three percent (3%);

(viii) Current partnership management fee in an amount approved by County, as evidenced by County's approval of Borrower's Project Budget, which shall be increased annually thereafter by three percent (3%);

(ix) Repayment of loans to the Project, if any, made by the limited partner(s) of Borrower pursuant to the Partnership Agreement, including interest at the rate set forth in the Partnership Agreement, for eligible development and/or operating expense deficits or other eligible loans (provided that if made during the compliance period Borrower shall provide to Planning Director documentation showing the propriety of such loan(s) and if made subsequent to the expiration of the compliance period each such loan must be reasonably approved by the Planning Director before being provided to the Project after review of documentation provided by Borrower showing propriety of such loans);

(x) Repayment to the administrative and/or managing general partners of Borrower for loans to the Project for development advance(s) pursuant to the Partnership Agreement, operating deficit advance(s) pursuant to the Partnership Agreement, credit adjuster payment(s) pursuant to the Partnership Agreement, and/or development fee advance(s) pursuant to the Partnership Agreement, and with all such loans to be repaid without interest (provided that if made during the compliance period, then if Borrower wants to deduct the repayments of such loans from Annual Project Revenue for purposes of calculating Residual Receipts, Borrower shall provide to Planning Director documentation showing the propriety of such loan(s) and if made subsequent to the expiration of the compliance period each such loan must be reasonably approved by the Planning Director before being provided to the Project after review of documentation provided by Borrower showing propriety of such loans); and

(xi) Repayment to the administrative and/or managing general partners of Borrower of certain loans made to the Project after the expiration or earlier termination of the Partnership Agreement to cover shortfalls in funding for Operating Expenses in excess of the Operating Expenses included in the approved annual Operating Budget for the year in which such loan is made (if at all), all such loans to be repaid without interest (provided that if made during the compliance period, then if Borrower wants to deduct the repayments of such loans from Annual Project Revenue for purposes of calculating Residual Receipts, Borrower shall provide to Planning Director documentation showing the propriety of such loan(s) and if made subsequent to the expiration of the compliance period each such loan must be reasonably approved by the Planning Director before being provided to the Project after review of documentation provided by Borrower showing propriety of such loans); and

In the event any calculation of Annual Project Revenue less subsections (i) through (xi) inclusive above results in a negative number, then Residual Receipts shall be zero (\$0) for that year and shall not carry over to the next or any other subsequent year.

In addition, none of the fees, costs, expenses, or items described above in calculation of Residual Receipts shall include any duplicate entry/item, or double accounting for a cost item. The calculation of Residual Receipts shall be conducted at Borrower's sole cost and expense, by a third party auditor and submitted to Borrower annually, along with Borrower's payment of Residual Receipts.

As used herein, "*Transfer Net Proceeds*" means the proceeds of any sale or other transfer, in whole or part, of the Property or Borrower's interests therein, net only of (i) the reasonable and customary costs and expenses incurred in connection with such transfer; (ii) the amount of the financing which is satisfied out of such proceeds, (iii) the balance, if any, of the Deferred Developer Fee, (iv) the balance, if any, of loans to the Project made by the limited partners of Borrower, including interest thereon as provided in the Partnership Agreement, (v) the balance, if any, of operating loans or development loans made by the general partners of Borrower, including interest thereon as provided in the Partnership Agreement, and (vi) the return of capital contributions, if any, to the Project made by the general partners of Borrower.

4. Security. Borrower's obligations under this Note and the Agreement shall, at all times during which any amount remains outstanding hereunder, be secured by the County Deed of Trust, which County Deed of Trust shall only be subordinated to the approved deed(s) of trust for the Construction Loan and Take-Out Loan, and if applicable any loan from the California Department of Housing and Community Development where such subordination is required pursuant to applicable regulations, and such encumbrances approved by County in writing, pursuant to a written subordination agreement in a form approved by County counsel. Upon execution of the same, the terms of the County Deed of Trust are incorporated herein and made a part hereof to the same extent and with the same force and effect as if fully set forth herein.

5. Maturity. This Note shall be due and payable on the fifty-fifth (55th) anniversary of the date a certificate of occupancy has been issued for the Project (or other equivalent document if the County of Santa Cruz does not issue certificates of occupancy).

6. Application of Payments. All payments shall be applied (i) first, to costs and fees owing under this Note, (ii) second, to the payment of unpaid accrued interest owing under this Note for each calendar year in which no payment was made by Borrower pursuant to Section 3 above, (iii) third, to the payment of accrued interest for the preceding calendar year, and (iv) fourth, to payment of principal.

7. Waivers.

(a) Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time at County's sole discretion and that County may

accept security in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Borrower.

(b) No extension of time for payment of this Note made by agreement by County with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

(c) The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) Borrower waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights or interests in or to properties securing this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

(e) No previous waiver and no failure or delay by County in acting with respect to the terms of this Note or the County Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the County Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the County Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

8. Attorneys' Fees and Costs. Borrower agrees that if any amounts due under this Note are not paid when due, Borrower will pay all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

9. Joint and Several Obligation. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors and assigns.

10. Amendments and Modifications. This Note may not be changed orally, but only by an amendment approved by County and evidenced in a writing signed by Borrower and by County.

11. County May Assign. County may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

12. Borrower Assignment Prohibited. In no event shall Borrower assign or transfer any portion of this Note without the prior express written consent of County, which consent shall not unreasonably be withheld, except pursuant to a transfer that is authorized under Section 15 of the Agreement.

13. Acceleration and Other Remedies. Upon the occurrence of a Default, County may, at County's option, declare the outstanding principal amount of this Note,

together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the County Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the County Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. County shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as County may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of County in exercising any right hereunder, under the Agreement or under the County Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of County's right to either require prompt payment when due of all other sums payable hereunder or to declare a Default for failure to make prompt or complete payment.

14. Alternate Rate. Upon the occurrence of any Default, or upon the maturity hereof (by acceleration or otherwise), the entire unpaid principal sum, at the option of County, shall bear interest, from the date of occurrence of such Default or maturity and after judgment and until collection, at the "**Alternate Rate**", such rate being the highest interest rate then permitted by law. Interest calculated at the Alternate Rate, when and if applicable, shall be due and payable immediately without notice or demand. Borrower agrees that in the event of any Default, County will incur additional expense in servicing the loan evidenced by this Note and will suffer damage and loss resulting from such Default. Borrower agrees that in such event County shall be entitled to damages for the detriment caused thereby, which damages are extremely difficult and impractical to ascertain. Therefore, Borrower agrees that the Alternate Rate (as applied to the unpaid principal balance, accrued interest, fees, costs and expenses incurred) is a reasonable estimate of such damages to County, and Borrower agrees to pay such sum on demand.

15. Consents. Borrower hereby consents to: (a) any extension (whether one or more) of the time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the granting of any other indulgences to Borrower, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such extension, release, surrender, exchange or substitution may be made without notice to Borrower or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

16. Interest Rate Limitation. County and Borrower stipulate and agree that none of the terms and provisions contained herein or in any of the loan instruments shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted

to be charged by the laws of the State of California. In such event, if any holder of this Note shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of California, all such sums deemed to constitute interest in excess of such maximum rate shall, at the option of such holder, be credited to the payment of the sums due hereunder or returned to Borrower.

17. Successors and Assigns. Whenever "County" is referred to in this Note, such reference shall be deemed to include County and its successors and assigns, including, without limitation, any successor to its rights, powers, and responsibilities, and any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Borrower, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of County and County's successors and assigns.

18. Miscellaneous. Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Santa Cruz or the United States District Court of the Northern District of California, as County may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Note. Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

19. Non-Recourse Obligation. Borrower and its partners shall not be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights County may have (as a secured party or otherwise) hereunder or under the Agreement or the County Deed of Trust to recover directly from Borrower any amounts, or any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by County as a result of fraud, intentional misrepresentation or bad faith waste, and any costs and expenses incurred by County in connection therewith (including without limitation reasonable attorneys' fees and costs).

20. Accounting.

(a) **Accounting Terms and Determinations.** Unless otherwise specified herein, (i) all accounting terms used herein shall be interpreted, (ii) all accounting determinations hereunder shall be made, and (c) all books, records and financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP, consistently applied, except for changes approved by County.

(b) **Financial Reporting and Accounting Covenants.** Borrower shall permit the representatives of County at any time or from time to time, upon three (3) business days' notice and during normal business hours, to inspect, audit, and copy all

of Borrower's books, records, and accounts relating to the Property. Borrower shall furnish or cause to be furnished to County the following:

(i) **Annual Financial Statement.** Borrower shall submit to County, on or before May 1 of each year commencing in the first year after the issuance of the first certificate of occupancy for the Project, an Annual Financial Statement, with respect to the Project that has been reviewed by an independent certified public accountant, together with an expressed written opinion of the certified public accountant that such Annual Financial Statement presents the financial position, results of operations, and cash flows of the Project fairly and in accordance with GAAP.

(ii) **Tax Returns.** As soon as available, but in no event later than thirty (30) days after the time of filing with the Internal Revenue Service, the federal tax returns (and supporting schedules, if any) of Borrower.

(iii) **Audit Reports.** Not later than ten (10) days after receipt thereof by Borrower, copies of all reports submitted to Borrower by independent public accountants in connection with each annual, interim or special audit of the financial statements of Borrower, made by such accountants, including the comment letter submitted by such accountants to management in connection with their annual audit. If any such audit report results in Borrower restating Residual Receipts upward for any calendar year, then Borrower shall accompany delivery of such audit report to County with the additional payment to County resulting from said restatement pursuant to Section 3 of this Note. If any such audit report results in Borrower restating Residual Receipts downward for any calendar year, Borrower may carry forward the overpayment made to County pursuant to such Section 3 as a credit against payments thereunder in subsequent calendar years.

(c) **Late Payment.** If any annual payment required pursuant to Section 3 above is not received by County within ten (10) calendar days after payment is due, Borrower shall pay to County a late charge of five percent (5%) of such payment, such late charge to be immediately due and payable without demand by County.

(d) **Dispute Regarding Annual Financial Statement.** If County disputes any Annual Financial Statement, County shall notify Borrower of such dispute within sixty (60) days after receipt of an Annual Financial Statement and the parties shall cause their representatives to meet and confer concerning the dispute and to use all reasonable efforts to reach a mutually acceptable resolution of the matter in question within thirty (30) days after County's notice of such dispute. If the parties are unable to reach a mutually acceptable resolution within such thirty (30) day period, then, within twenty (20) days after the expiration of such period, Borrower and County shall appoint a national firm of certified public accountants to review the dispute and to make a determination as to the matter in question within thirty (30) days after such appointment. If the parties cannot, within ten (10) days, agree upon the firm to be appointed, then, upon the application of either party, such firm shall be appointed by the Presiding Judge of the Superior Court for the County of Santa Cruz, California. Such firm's determination shall

be final and binding upon the parties. Such firm shall have full access to the books, records and accounts of Borrower and the Property.

(e) **Underpayment.** If any audit by County reports an underpayment by Borrower on this Note, Borrower shall pay the amount of such underpayment, together with the late charge set forth in Section 20(c) of this Note, to County within ten (10) days after written notice thereof to Borrower or, in the event of a dispute, after timely notice to Borrower of the resolution of such dispute by the independent firm of certified public accountants, as the case may be, and if such underpayment amounts to more than five percent (5%) of the disputed payment for the period audited, then, notwithstanding anything to the contrary in this section, Borrower shall pay to County, within ten (10) days after written demand, County's reasonable costs and expenses in conducting such audit and exercising its rights under this Section 20 of this Note.

BORROWER:

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company

Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation

Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

ATTACHMENT NO. 8
COUNTY DEED OF TRUST

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

RECORDING REQUESTED BY:
AND WHEN RECORDED RETURN TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attn: Planning Director

APN: _____

[Free Recording Requested
Government Code Sections 6103 and 27383]

DEED OF TRUST WITH ASSIGNMENT OF RENTS

NOTE: RIDER ATTACHED TO THIS DEED OF TRUST CONTAINING TERMS INCLUDING SECURITY AGREEMENT AND FIXTURE FILING.

This DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER ATTACHED HERETO ("Deed of Trust"), is made _____, _____, between MP LIVE OAK ASSOCIATES, L.P., a California Limited Partnership, herein called TRUSTOR, whose address is 303 Vintage Park Drive, Suite 250, Foster City, CA 94404, OLD REPUBLIC TITLE COMPANY, a California corporation, herein called TRUSTEE, and COUNTY OF SANTA CRUZ, a political subdivision of the State of California, herein called BENEFICIARY.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor's estate, dated on or about the date hereof, in that property in the County of Santa Cruz, State of California, described in Exhibit "A" (the "Property"),

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of FIVE MILLION THREE HUNDRED FIFTEEN THOUSAND FIVE HUNDRED EIGHTY-FIVE DOLLARS (\$5,315,585), with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the Property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official

Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5	Book 1964, Page 149774			

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

SEE RIDERS ATTACHED TO THIS DEED OF TRUST

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears

to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance when the Trustor does not repair the Property as obligated in A.1 above.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default (beyond any applicable cure period, and during the continuance of such default), Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter

upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary

hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE0

TO _____, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, an all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust,

Note and Reconveyance to

Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

EXHIBIT "A"**LEGAL DESCRIPTION OF THE PROPERTY**

[To be inserted]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Rider**") is executed this ____ day of _____ by MP LIVE OAK ASSOCIATES, L.P., a California limited partnership, herein "Trustor," in favor of the COUNTY OF SANTA CRUZ, a political subdivision of the State of California, herein "**Beneficiary**," the same parties to that certain form Deed of Trust With Assignment of Rents, of even date hereto, to which this Rider is attached. This Rider is made a part of and is incorporated into said Deed of Trust. This Rider shall supersede any conflicting term or provision of the form Deed of Trust to which it is attached.

Reference is made to (i) that certain County Promissory Note executed by Trustor on or about the date set forth above, the repayment of which by Trustor is secured by this Deed of Trust ("**County Note**"), (ii) that certain Affordable Housing and Property Disposition Agreement between Trustor and the Santa Cruz County Redevelopment Successor Agency ("**Successor Agency**"), and assigned by the Successor Agency to Beneficiary on or about the same date hereof, dated for identification purposes only as of _____ (collectively, the "**Agreement**"), and (iii) that certain Affordable Housing Regulatory Agreement, by and between Trustor and Beneficiary, for the benefit of Beneficiary, and recorded in the Office of the Santa Cruz County Recorder ("**County Regulatory Agreement**").

The parties hereto agree:

1. Property. The estate subject to this Deed of Trust is Trustor's fee estate in the real property legally described in the foregoing Deed of Trust to which this Rider is attached (the "**Property**").

2. Obligations Secured. Trustor makes this grant and assignment for the purpose of securing the following obligations ("**Secured Obligations**"):

- a. Payment to Beneficiary of all indebtedness at any time owing under the terms of the County Note;
- b. Payment and performance of all obligations of Trustor under this Deed of Trust;
- c. Payment and performance of all obligations of Trustor under the Agreement and the County Regulatory Agreement.
- d. Payment and performance of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
- e. All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

3. Obligations. The term “obligations” is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and fees at any time accruing or assessed on any of the Secured Obligations.

4. Incorporation. All terms of the County Note, Agreement, and County Regulatory Agreement, and the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of all of the foregoing documents.

5. Mortgagee-in-Possession. Neither the assignment of rents set forth in the Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property.

6. No Cure. In the event Beneficiary collects and receives any rents under the Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default, except if and to the extent the same are sufficient to cure all monetary defaults and no other defaults then exist.

7. Possession Upon Default. Upon the occurrence of and during the continuation of a default, Beneficiary, after having given notice and the applicable cure periods having expired with the default having not been cured (hereinafter, a “**default**”), may, at its option, without any action on its part being required and without in any way waiving such default, take possession of the Property in accordance with applicable law and have, hold, manage, lease and operate the same, on such terms and for such period of time as Beneficiary may deem proper, and may collect and receive all rents and profits, with full power to make, from time to time, all commercially reasonable alterations, renovations, repairs or replacements thereto as may seem proper to Beneficiary, and to apply such rents and profits to the payment of (a) the cost of all such alterations, renovations, repairs and replacements, and all costs and expenses incident to taking and retaining possession of the Property, and the management and operation thereof, and keeping the same properly insured; (b) all taxes, charges, claims, assessments, and any other liens which may be prior in lien or payment of the County Note, and premiums for insurance, with interest on all such items; and (c) the indebtedness secured hereby, together with all costs and attorney’s fees, in such order or priority as to any of such items as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Any amounts received by Beneficiary or its agents in the performance of any acts prohibited by the terms of this assignment, including, but not limited to, any amounts received in connection with any cancellation, modification or amendment of any lease prohibited by the terms of this assignment and any rents and profits received by Trustor after the occurrence of a default shall be held by Trustor as trustee for Beneficiary and all such amounts shall be accounted for to Beneficiary and

shall not be commingled with other funds of the Trustor. Any person receiving any portion of such trust funds shall receive the same in trust for Beneficiary as if such person had actual or constructive notice that such funds were impressed with a trust in accordance therewith.

8. Receiver. In addition to any and all other remedies of Beneficiary set forth under this Deed of Trust or permitted at law or in equity, if a default shall have occurred and not have been cured within any applicable cure period, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Note and other sums secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents and profits and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice, notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the power herein contained shall be secured by this Deed of Trust.

9. Notice to Beneficiary. Notices to Beneficiary shall be sent to Beneficiary addressed to:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attn: Planning Director
Reference: 17th & Capitola Redevelopment Project

10. Limited Partner Cure Rights. Notwithstanding anything to the contrary set forth herein, Beneficiary shall not exercise any right hereunder without providing the limited partner of Trustor with not less than thirty (30) days prior written notice and right to cure any default giving rise to the exercise of said remedy. Beneficiary agrees that any cure tendered by the limited partner of Trustor shall be accepted or rejected on the same terms and conditions as if tendered directly by Trustor.

11. Subordination Acknowledgement. Beneficiary hereby acknowledges that the loan secured by this Deed of Trust is also subordinate to the extended use agreement required to be executed by Borrower pursuant to Section 42(h)(6)(B) of the Internal Revenue Code, for purposes of the low-income housing tax credits to be allocated to Trustor. In addition, Beneficiary hereby acknowledges that the loan secured by this Deed of Trust is further subordinate to Section 42(h)(6)(e)(ii) of the Internal Revenue Code, which prohibits the eviction or termination of a tenancy, other than for good cause, of an existing tenant of any low-income housing tax credit unit or any increase in the gross rent with respect to such unit, not otherwise permitted under Section 42, for a period of three (3) years after the date the Property is acquired by Beneficiary through foreclosure or instrument in lieu of foreclosure.

[signatures on next page]

IN WITNESS WHEREOF, Trustor has executed this Rider on the date of Trustor's acknowledgment herein below, to be effective for all purposes as of the day and year first set forth above.

TRUSTOR:

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation
Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ATTACHMENT NO. 9**PROJECT BUDGET**

[see following pages]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

1500 Capitola Rd Affordable Housing - County AHPDA

Prepared by: Ashley Schweickart



PROJECT DATA

SITE, BUILDING AND UNIT DETAILS			
LAND	Acreage	2.36	acres
	Density	24.16	units/acre
	# of Stories	3	
BUILDING	Residential	49,545	sf
	Circulation and Common	5,593	sf
	Commercial/Childcare	-	sf
	Podium/Tuck-Under Garage	-	sf
PARKING	spaces on housing parcel	140	
	residential parking ratio	2.46	
	total # parking spaces	190	
UNIT MIX AND AFFORDABILITY			
	Unit Type	# Units	Average Rent
	Studios/SRO	0	-
	1-Bedroom	26	1,033
	2-Bedroom	15	1,167
	3-Bedroom	16	1,307
	4-Bedroom	0	-
	Total Unit Count	57	

SCHEDULE		
MILESTONE	ESTIMATE	ACTUAL
Acquisition	1/21/2020	
Entitlement	11/5/2019	
Funding Committed	6/15/2020	
Tax Credit Award	6/15/2020	
Construction Start	12/15/2020	
Construction Complete	4/15/2022	
100% Occupied	7/15/2022	
Permanent Conversion	11/15/2022	
PIS Package	3/1/2023	
8609s	12/15/2023	

Resident Services Scope and Staffing

Family & Supportive Services Budget - \$162k/year

SOURCES AND USES				
CONSTRUCTION SOURCES		per unit		
Construction Loan	\$ 27,159,505	476,483		
County of Santa Cruz Loan	\$ 5,315,585	93,256		
Accrued Deferred Interest	\$ 100,000	1,754		
Costs Deferred until Conversion	\$ 2,878,403	50,498		
	\$ -	-		
	\$ -	-		
LP and GP Equity	\$ 2,481,100	43,528		
total	\$ 37,534,593	\$ 685,519		
PERMANENT SOURCES		per unit		
Amortizing Perm Loan, Tranche A	\$ 2,508,500	44,009		
Amortizing Perm Loan, Tranche B	\$ 6,029,800	105,786		
County of Santa Cruz Loan	\$ 5,315,585	93,256		
Accrued Deferred Interest	\$ 100,000	1,754		
NPLH	\$ 2,419,376	42,445		
AHP	\$ 560,000	9,825		
	\$ -	-		
	\$ -	-		
Tax Credit Investor Proceeds	\$ 24,810,000	435,263		
GP Equity	\$ 100	2		
Deferred Developer Fee	\$ -	-		
total	\$ 41,743,361	\$ 732,340		
PERMANENT USES				
ACQUISITION		total	per unit	per SF
Land	\$ 2,850,000	\$ 50,000	\$ 48	
Other Acquisition Costs	\$ 227,338	\$ 3,988	\$ 4	
Total Acquisition Costs	\$ 3,077,338			52
HARD COSTS				
Resid. Site Work and Structures	\$ 21,308,494	\$ 373,833	\$ 362	
Commercial Costs	\$ -	\$ -	\$ -	
Escalation Contingency	\$ 2,031,432	\$ 35,639	\$ 35	
Overhead & Profit/GC/Ins. Bond	\$ 3,512,239	\$ 61,618	\$ 60	
Owner Contingency	\$ 1,346,358	\$ 23,620	\$ 23	
Total Hard Costs	\$ 28,198,524	\$ 494,711	\$ 479	
SOFT COSTS				
Architecture and Engineering	\$ 1,484,595	\$ 25,695	\$ 25	
Construction Loan Interest and fees	\$ 2,284,018	\$ 40,070	\$ 39	
Permanent Financing	\$ 42,077	\$ 738	\$ 1	
Legal Fees	\$ 140,500	\$ 2,465	\$ 2	
Reserves	\$ 2,552,256	\$ 44,776	\$ 43	
Permits and Fees	\$ 1,553,619	\$ 27,256	\$ 26	
Other Soft Costs	\$ 1,009,000	\$ 17,702	\$ 17	
Relocation	\$ 5,000			
Developer Fee	\$ 1,359,480	\$ 23,851	\$ 23	
Total Soft Costs	\$ 10,410,544	\$ 182,553	\$ 177	
TOTAL DEVELOPMENT COSTS	\$ 41,686,406	\$ 731,340	\$ 708	

FINANCING ASSUMPTIONS		TAX CREDIT ASSUMPTIONS	
Debt Coverage Ratio	1.15	8% CREDIT COMPETITIVENESS	
Construction Underwriting Rate	5.35%	Tiebreaker	50.77%
Permanent Interest Rate	4.70%	Set-Aside	Non Profit
Perm Loan Amortization	20	Geographic Region	Central Coast
		Project Type	Family
		CREDIT AND EQUITY ASSUMPTIONS	
		Price	0.99
		130% Basis Boost?	Yes
		100% Tax Credit Eligible?	Yes
		Acquisition Credits?	No
DEVELOPER FEE			
15% of TDC	\$6,049,039		
Total Fee	\$1,359,480		
Deferred Amount	\$0		
GP Equity	\$100		

HARD COST ASSUMPTIONS	
Preliminary Design (rough square footages but no GC onboard)	

OPERATING AND SERVICES EXPENSE ASSUMPTIONS	
Total Residential Operating Expenses	\$ 8,750 Annual Escalation 3.5%
Resident Services Fee from Operations	\$ 1,835
Resident Services Fee from Reserves	\$ 1,025
Commercial Operating Expenses	\$ -
Replacement Reserves	\$ 450
Debt Admin Fees - Bond Issuer, MHSA, Other	\$ -

CASH FLOW - YEARS 1-5 and 15						
	2014	2015	2016	2017	2018	2028
Effective Gross Income	1,342,315	1,371,092	#####	1,430,640	1,461,443	1,811,428
Operating Expenses	(384,750)	(398,216)	(412,154)	(426,579)	(441,509)	(622,793)
Services Expenses	(161,995)	(167,665)	(173,533)	(179,607)	(185,893)	(192,399)
Loan Admin Fees	-	-	-	-	-	-
Reserves	(25,650)	(25,650)	(25,650)	(25,650)	(25,650)	(25,650)
Net Operating Income	769,920	779,581	789,191	798,804	808,390	900,765
Debt Service Loan 1	(193,705)	(193,705)	(193,705)	(193,705)	(193,705)	(193,705)
Debt Service Loan 2	(465,618)	(465,618)	(465,618)	(465,618)	(465,618)	(465,618)
Debt Service Loan 3	(10,161)	(10,161)	(10,161)	(10,161)	(10,161)	(10,161)
Cash Flow	100,435	110,076	119,706	129,319	138,906	231,280
DCR	1.15	1.16	1.18	1.19	1.21	1.35
LP Fee	7,000	7,210	7,426	7,649	7,879	10,588
Priority Deferred Developer F	0	0	0	0	0	-
Partnership Management Fee	25,000	25,750	26,523	27,318	28,138	37,815
Services Paid from Cash Flow	0	0	0	0	0	0
Residual Receipts to Lenders	34,217	38,558	42,879	47,176	51,445	91,438
Incentive Management Fee	34,217	38,558	42,879	47,176	51,445	91,438
Other						

ATTACHMENT NO. 10
COUNTY REGULATORY AGREEMENT

[See following document]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

REQUESTED BY
AND WHEN RECORDED MAIL TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attention: Planning Director

This document is exempt from a recording fee pursuant to
Government Code Sections 6103 and 27383.

AFFORDABLE HOUSING REGULATORY AGREEMENT

This **AFFORDABLE HOUSING REGULATORY AGREEMENT** (this “**Regulatory Agreement**”), dated for purposes of identification only as of _____ (the “**Date of Regulatory Agreement**”), is entered by and between the **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California, (the “**County**”), and **MP LIVE OAK ASSOCIATES, L.P.**, a California limited partnership (the “**Developer**”). County and Developer are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

The following recitals are a substantive part of this Regulatory Agreement; all capitalized terms set forth in the Recitals shall have the meanings ascribed to such terms in Section 1 hereof.

- A. Developer owns fee title to that certain real property located in the County of Santa Cruz, State of California more particularly described in Exhibit “A”, which is attached hereto and incorporated herein by this reference (the “**Property**”)
- B. Developer is controlled by an experienced owner, developer and manager of affordable housing for low and moderate-income families.
- C. Developer acquired the Property from the Santa Cruz County Redevelopment Successor Agency (the “**Successor Agency**”) pursuant to that certain Affordable Housing and Property Disposition Agreement between the Successor Agency and Developer, dated as of _____ (“**Agreement**”). On or about the same date hereof, the Successor Agency assigned all of its and obligations under the Agreement to County.
- D. Pursuant to the Agreement, Developer is required to construct and operate on the Property a fifty-seven (57) unit multifamily apartment project with all but one of such units restricted for occupancy by income-restricted households (the “**Project**”). The Agreement further provides that the Parties execute and record this Regulatory Agreement against the Property, to ensure that the Property shall be operated continuously, in perpetuity, as

an affordable rental apartment complex in accordance with the terms hereof.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. DEFINITIONS.

“30% AMI Household” means those person(s) or households whose income does not exceed thirty percent (30%) of AMI.

“30% AMI Unit” means the ten (10) Affordable Units that are required to be rented to and occupied by 30% AMI Households, with four (4) of such units containing one (1) bedroom, three (3) of such units containing two (2) bedrooms, and three (3) of such units containing 3 bedrooms.

“40% AMI Household” means those person(s) or households whose income does not exceed forty percent (40%) of AMI.

“40% AMI Unit” means the twelve (12) Affordable Units that are required to be rented to and occupied by 40% AMI Households, with five (5) of such units containing one (1) bedroom, two (2) of such units containing two (2) bedrooms, and five (5) of such units containing 3 bedrooms.

“50% AMI Household” means those person(s) or households whose income does not exceed fifty percent (50%) of AMI.

“50% AMI Unit” means the sixteen (16) Affordable Units that are required to be rented to and occupied by 50% AMI Households, with eight (8) of such units containing one (1) bedroom, four (4) of such units containing two (2) bedrooms, and four (4) of such units containing 3 bedrooms.

“60% AMI Household” means those person(s) or households whose income does not exceed sixty percent (60%) of AMI.

“60% AMI Unit” means the thirteen (13) Affordable Units that are required to be rented to and occupied by 60% AMI Households, with seven (7) of such units containing one (1) bedroom, three (3) of such units containing two (2) bedrooms, and three (3) of such units containing 3 bedrooms.

“80% AMI Household” means those person(s) or households whose income does not exceed eighty percent (80%) of AMI.

“80% AMI Unit” means the five (5) Affordable Units that are required to be rented to and occupied by 80% AMI Households, with two (2) of such units containing one (1) bedroom, two (2) of such units containing two (2) bedrooms, and one (1) of such units containing 3 bedrooms.

“Additional Regulatory Agreements” means the Tax Credit Regulatory Agreement, the Bond Regulatory Agreement (applicable only if the Project is financed by issuance of Tax-Exempt Bonds), and any other regulatory agreement Developer is

required to execute as a condition to obtaining financing to develop and/or operate the Project.

“Affiliate” means any “Person,” directly or indirectly, “Controlling” or “Controlled” by or under common “Control” with Developer, whether by direct or indirect ownership of equity interests, by contract or otherwise, where **“Person”** means any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind, **“Control”** means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of equity interests, by contract or otherwise, and **“Controlling”** and **“Controlled”** means exercising or having Control.

“Affordable Units” means the following fifty-six (56) rental units in the Project:

- (i) twenty-six (26), one (1) bedroom, one (1) bath units;
- (ii) fourteen (14), two (2) bedroom, one (1) bath units; and
- (iii) sixteen (16), three (3) bedroom, one (1) bath units.

“Affordable Rent” means the maximum Monthly Rent that may be charged to and paid by 30% AMI Households, 40% AMI Households, 50% AMI Households, 60% AMI Households, and 80% AMI Households, as applicable, for the Affordable Units, as annually determined pursuant to Health and Safety Code Section 50053(b), as of the date hereof, and the regulations promulgated pursuant to and incorporated therein.

“Agreement” is defined in Recital C hereof.

“AHAP Contract” means an Agreement to Enter into Housing Assistance Payments Contract entered into by and between Developer and the Housing Authority of the County of Santa Cruz.

“AMI” means the median family income (adjusted for household size) for the Santa Cruz County Area promulgated and published annually by HCD pursuant to Title 25, Section 6932 of the California Code of Regulations. If HCD ceases to annually publish median incomes, the Parties shall agree upon an adequate substituted manner for determining AMI.

“Annual Project Revenue” has the meaning ascribed thereto in the County Note.

“Approved Financing” means the financing approved by the Successor Agency pursuant to the Agreement, as set forth in the Project Budget attached to the Agreement, obtained by Developer for the acquisition of the Property and the construction/development and ownership of the Project. In addition, “Approved Financing” shall include any refinancing of the Approved Financing which has been approved by County.

“Approved Pro Forma” means that certain pro forma created in connection with the Project Budget attached to the Agreement.

“Bond Regulatory Agreement” means the regulatory agreement with the Institutional Lender responsible for placing the Tax-Exempt Bonds (applicable only if the Project is financed by issuance of Tax-Exempt Bonds).

“Capital Replacement Reserve” means a capital replacement reserve for the Project (i) in an initial amount approved by County, as evidenced by County’s approval of Developer’s development budget (or such greater amount required under any Additional Regulatory Agreement, under the Partnership Agreement, or by any lender of a Project-related loan that has been approved by County) set aside in a separate interest-bearing trust account, commencing upon the rental of the Affordable Units, and (ii) replenished from annual deposits in an amount approved by County, as evidenced by County’s approval of Developer’s initial Operating Budget, adjusted annually by the CPI Adjustment (unless otherwise agreed to by Developer and County) or as required under the Partnership Agreement (or such greater amount required under any Additional Regulatory Agreement, or under the Partnership Agreement).

“Certification of Continuing Program Compliance” means an annual recertification form substantially in the form attached hereto and incorporated herein as Exhibit E.

“Certificate of Occupancy” means the final certificate of occupancy issued by the County for the completion of construction of the Project.

“Close of Escrow” means generally, the closing for the Approved Financing, and particularly, the time and day that this Regulatory Agreement and the Grant Deed are filed for record with the Santa Cruz County Recorder.

“Close of Escrow Date” means the date on which the Close of Escrow occurs.

“Construction Financing” means the construction loan for the Project, in the approximate amount of Twenty-Seven Million Dollars (\$27,000,000). If the Project is financed through issuance of Tax-Exempt Bonds, then Construction Financing shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“County” means the County of Santa Cruz, a political subdivision of the State of California.

“County and Successor Agency and County and Successor Agency Personnel” means County, the Successor Agency, and all of their respective officers, officials, directors, members, employees, agents, and representatives.

“County Deed of Trust” means that certain deed of trust executed by Developer, as “Trustor,” in favor of County, as “Beneficiary,” securing Developer’s repayment under the County Note.

“County Loan” means the loan provided by County to Developer pursuant to the Agreement to assist Developer with certain predevelopment costs incurred by Developer and with the costs to acquire the Property.

“County Note” means that certain County Promissory Note executed by Developer on or about the same date hereof, that evidences Developer’s obligation to repay the County Loan.

“CPI Adjustment” means the percentage increase in the cost of living index, as measured by the Consumer Price Index for all urban consumers, San Francisco-Oakland-Hayward statistical area, all items (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (“CPI”) between the CPI figure in effect as of the date on which the Certificate of Occupancy is issued and the CPI figure in effect as of the date on which an adjustment is made. If such index is discontinued or revised, such other index with which such index is replaced (or if not replaced, another index which reasonably reflects and monitors consumer prices) shall be used in order to obtain substantially the same results as would have been obtained if the discontinued index had not been discontinued or revised. If the CPI is changed so that the base year is other than 1982-84, the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

“Date of Regulatory Agreement” is defined in the initial paragraph hereof.

“Default” means the failure of a Party to perform any action or covenant required by the Agreement or hereunder within the time periods provided in the Agreement or hereunder, respectively, following notice and opportunity to cure, as set forth in Section 13.1 of the Agreement and Section 16.01 hereof, respectively.

“Developer” means MP Live Oak Associates, L.P., a California limited partnership, and any permitted assignees of Developer.

“Eligible Tenant” means, with respect to a 30% AMI Unit, a 30% AMI Household, with respect to a 40% AMI Unit, a 40% AMI Household, with respect to a 50% AMI Unit, a 50% AMI Household; with respect to a 60% AMI Unit, a 60% AMI Household; and with respect to an 80% AMI Unit, an 80% AMI Household.

“Environmental Laws” means (i) Sections 25115, 25117, 25122.7 or 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) Article 9 or Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vi) Section 311 of the Clean Water Act (33 U.S.C. §1317), (vii) Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (viii) Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.*

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees, of the United States, the State of California, the County, and any other political subdivision, agency, instrumentality, or other entity

exercising jurisdiction over County, Developer, the Project, or the Property, including common law.

“HAP Contract” means a Housing Assistance Payments contract entered into by and between Developer and the Housing Authority of the County of Santa Cruz.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “acutely hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., (xii) methyl-tertiary butyl ether, (xiii) perchlorate, or (xiv) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment. For purposes hereof, “Hazardous Materials” excludes materials and substances in quantities as are commonly used in constructing and operating apartment complexes, provided such materials and substances are used in accordance with all applicable laws.

“Hazardous Materials Contamination” means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time emanating from the Property.

“HCD” means the California Department of Housing and Community Development.

“HUD” means the United States Department of Housing and Urban Development.

“Institutional Lender” means any of the following institutions having assets or deposits in the aggregate of not less than One Hundred Million Dollars (\$100,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an “incorporated admitted insurer” (as that term is used in Section 1100.1 of the California Insurance Code); a “foreign (other state) bank” (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Sections 2600 et seq. of the California Financial Code); a “foreign (other nation) bank” provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or a subsidiary of a bank holding company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker; college or university; pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; and a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange.

“Investor” has the meaning ascribed thereto in Section 15.01 hereof.

“Legal Description” means that certain legal description of the Property which is attached hereto and incorporated herein as Exhibit A.

“Map” means a map depicting the Property which is attached hereto and incorporated herein as Exhibit B.

“Marketing Plan” means a marketing plan for the rental of the Affordable Units which provides, to the extent authorized by applicable federal, state and local laws and regulations, that a preference be given to applicants who are currently residents of the County or currently work in the County and, with respect to fourteen (14) of the Affordable Units, a preference to applicants who are currently residents of the Live Oak area of the County. The Successor Agency shall have approved the Marketing Plan, in its reasonable discretion, as one of Successor Agency’s conditions to the Close of Escrow pursuant to the Agreement. The Marketing Plan is further discussed in Section 4.03 hereof.

“MidPen” means MidPen Housing Corporation, a California nonprofit public benefit corporation.

“Monthly Rent” means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone or cable service, and (d) possessory interest, taxes or other fees or charges

assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent.

“Notice” means a notice in the form prescribed by Section 17.01 hereof.

“Official Records” means the Official Records of the County of Santa Cruz, California.

“Operating Budget” means an operating budget for the Project, which budget shall be subject to the annual written approval of County in accordance with Section 9.01 hereof.

“Operating Expenses” has the meaning ascribed thereto in the County Note.

“Operating Reserve” means an operating reserve for the Project (i) in an initial amount approved by County, as evidenced by County’s approval of Developer’s development budget (or such greater amount required under any Additional Regulatory Agreement, under the Partnership Agreement, or by any lender of a Project-related loan that has been approved by County) set aside in a separate interest-bearing trust account, commencing upon the rental of the Affordable Units, and (ii) replenished by an amount approved by County, as evidenced by County’s approval of Developer’s initial Operating Budget, from annual deposits of the Annual Project Revenue, to the extent available, such that the balance of the Operating Reserve consists of not less than three (3) months of projected Operating Expenses, adjusted annually by the CPI Adjustment (unless otherwise agreed to by Developer and County) or as required under the Partnership Agreement (or such greater amount required under any Additional Regulatory Agreement, or under the Partnership Agreement), provided in no event shall the balance in such account exceed a sum equal to one (1) year of debt service for the Project (or such greater amount required under any Additional Regulatory Agreement, pursuant to any of the Approved Financing or under the Partnership Agreement). Developer’s requirement to maintain the Operating Reserve shall terminate at such time as the Project has achieved a minimum annual debt service ratio of 1.15 for three (3) years following the date Developer has initially rented ninety-five percent (95%) of the Affordable Units to Eligible Tenants in accordance with the terms of this Regulatory Agreement.

“Partnership Agreement” means the agreement which sets forth the terms of Developer’s limited partnership, as such agreement may be amended from time to time.

“Permanent Financing” means a loan in an amount not to exceed the amount of the Construction Financing from an Institutional Lender to be secured by a deed of trust against the Property which replaces the Construction Financing upon Developer’s completion of the construction of the Project. If the Project is financed through issuance of Tax-Exempt Bonds, then Permanent Financing shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“Planning Director” means the person duly appointed to the position of Planning Director of the County of Santa Cruz, or his or her designee. The Planning Director shall represent County in all matters pertaining to this Regulatory Agreement. Whenever a

reference is made herein to an action or approval to be undertaken by County, the Planning Director is authorized to act unless this Regulatory Agreement specifically provides otherwise or the context should otherwise require.

“Project” means an affordable rental Project consisting of fifty-seven (57) residential dwelling units and all required on-site improvements necessary to serve the Project.

“Property” means that certain real property (i) consisting of approximately two and thirty-six hundredths (2.36) acres, (ii) located in the County of Santa Cruz, (iii) depicted on the Map, and (iv) described in the Legal Description.

“Regulatory Agreement” means this Regulatory Agreement.

“Release of Construction Covenants” means the document which evidences Developer’s satisfactory completion of construction of the Project, as set forth in Section 10.15 of the Agreement, substantially in the form which is attached thereto as Attachment No. 12 and incorporated therein by reference.

“Scope of Development” means that certain Scope of Development which is attached to the Agreement as Attachment No. 4 and incorporated therein by reference. The Scope of Development describes the scope, amount and quality of the construction to be done by Developer pursuant to the terms and conditions of the Agreement and this Regulatory Agreement.

“Tax Credits” means Low Income Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

“Tax Credit Regulatory Agreement” means the regulatory agreement which may be required to be recorded against the Property with respect to the issuance of Tax Credits for the Project.

“Tax Credit Rules” means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, as the same may be amended from time to time.

“Tax-Exempt Bonds” shall mean tax-exempt multi-family housing revenue bonds.

“TCAC” means the California Tax Credit Allocation Committee.

SECTION 2. COVENANTS REGARDING CONSTRUCTION OF THE IMPROVEMENTS.

Developer shall carry out the design, construction, and operation of the Project in compliance with applicable Governmental Requirements and all of the terms and conditions set forth in the Agreement.

SECTION 3. COVENANTS REGARDING USE.

3.01 Covenants To Use In Accordance With County Code And This Agreement. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to Developer's interest in the Property or any part thereof, that Developer shall devote the Property, in perpetuity, to the uses specified in the Santa Cruz County Code, and this Regulatory Agreement. All uses conducted on the Property, including, without limitation, all activities undertaken by Developer pursuant to this Regulatory Agreement, shall conform to all applicable provisions of the Santa Cruz County Code. The foregoing covenants shall run with the land.

3.02 Covenant Regarding Specific Uses. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to Developer's interest in the Property or any part thereof, that Developer shall use the Property, in perpetuity, to operate the Project.

3.03 Covenants Regarding Term And Priority Of Agreement. This Regulatory Agreement shall remain in effect in perpetuity, notwithstanding the payment in full of the County Loan. Developer's performance under this Regulatory Agreement is secured by the County Deed of Trust, and Developer shall not be entitled to a reconveyance of the County Deed of Trust; provided that, upon Developer's repayment of the County Loan, Developer shall be entitled to a partial reconveyance of the County Deed of Trust solely to release therefrom Developer's obligations to repay the County Loan. This Regulatory Agreement shall unconditionally be and remain at all times prior and superior to the liens created by the Construction Financing, the Permanent Financing, the Tax Credit Regulatory Agreement, Bond Regulatory Agreement, any other Additional Regulatory Agreement, and any other documents related to any of the foregoing and all of the terms and conditions contained therein, and to the lien of any new mortgage debt which is for the purpose of refinancing all or any part of the Construction Financing or Permanent Financing.

SECTION 4. COVENANTS REGARDING AFFORDABLE UNITS.

Developer shall provide for the Affordable Units in accordance with this Section.

4.01 Residential Use. Without County's prior written consent, which consent may be given or withheld in County's sole and absolute discretion, none of the Affordable Units in the Project will at any time be utilized on a transient basis or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, or trailer court or park, nor shall the Affordable Units be used as a place of business except as may otherwise be allowed by applicable law.

4.02 Provision of Affordable Units; Conversion of 30% AMI Units and 40% AMI Units. Developer shall make available, restrict occupancy to, and rent the Affordable Units to Eligible Tenants, in perpetuity, at Affordable Rents. Notwithstanding anything to the contrary in this Regulatory Agreement, after the fifty-fifth (55th) anniversary of the occupancy of the Project, the 30% AMI Units and 40% AMI Units shall convert to 50% AMI Units; provided, however, that such conversion shall not occur with respect to any

individual 30% AMI Unit or 40% AMI Unit until such 30% AMI Unit or 40% AMI Unit becomes vacant.

4.03 Selection of Tenants.

(a) Developer shall be responsible for the selection of tenants for the Affordable Units in compliance with all lawful and reasonable criteria, as set forth in the Marketing Plan. Developer shall not refuse to lease to (i) a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a Section 8 program or other tenant-based assistance program, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria, or (ii) an applicant who would be qualified to be a tenant in accordance with the approved tenant selection criteria but for a poor credit rating resulting from a foreclosure of a mortgage on a single family home previously owned by the applicant.

(b) The initial lease-up of the Affordable Units shall be done pursuant to a lottery. The Marketing Plan shall include procedures for conducting the lottery. A representative of County may, but shall not be obligated to, attend the lottery. Notwithstanding anything in this Agreement to the contrary, none of Developer or MidPen, and their respective officials, directors, and employees, and the immediate family members of their respective officials, directors, and employees shall be eligible to participate in the lottery for the initial lease-up of the Affordable Units. As used herein, the term "immediate family member" shall mean and include a parent or step-parent, grandparent or step-grandparent, sibling or step-sibling and child or step-child.

(c) Following the initial lease-up of the Affordable Units, Developer shall maintain a waiting list of persons interested in renting an Affordable Unit. Subject to Sections 4.5 and 4.7 below, at such time as an Affordable Unit becomes available for rental, Developer shall rent such Affordable Unit to the first person on the waiting list that qualifies as an Eligible Tenant to rent the Affordable Unit. Developer shall use commercially reasonable efforts to lease Affordable Units that become available as quickly as possible.

4.04 Occupancy By Eligible Tenant. An Affordable Unit occupied by an Eligible Tenant who qualified as an Eligible Tenant at the commencement of the occupancy shall be treated as occupied by an Eligible Tenant until a recertification of such Eligible Tenant's income in accordance with Section 4.08 below demonstrates that such tenant no longer qualifies as an Eligible Tenant at the applicable income level. An Affordable Unit previously occupied by an Eligible Tenant and then vacated shall be considered occupied by an Eligible Tenant until the Affordable Unit is reoccupied, provided Developer uses its best efforts to re-lease the vacant Affordable Unit to an Eligible Tenant. Any vacated Affordable Unit shall be held vacant until re-leased to an Eligible Tenant.

4.05 Occupancy Restrictions. The maximum number of occupants that may reside in an Affordable Unit shall be as follows: three (3) persons in a one (1) bedroom Affordable Unit; five (5) persons in a two (2) bedroom Affordable Unit; seven (7) persons in a three (3) bedroom Affordable Unit; and nine (9) persons in a four (4) bedroom

Affordable Unit. Notwithstanding the foregoing, if a household that was in compliance upon initial occupancy thereafter increases in number, such that such household exceeds the maximum occupancy allowed pursuant to this Section 4.05, and there exist Affordable Units of the size necessary to accommodate such household, then Developer shall place the household at the top of the waiting list for a unit of the appropriate size, and Developer shall not be default hereunder during such time as the household is waiting for an Affordable Unit of the appropriate size to become available. Developer shall comply with all applicable minimum occupancy restrictions promulgated by HUD, TCAC, and/or any other applicable funding source. Notwithstanding the foregoing, the minimum household size for an Affordable Unit shall be one (1) person per bedroom.

4.06 Income Computation and Certification. Immediately prior to an Eligible Tenant's occupancy of an Affordable Unit, Developer shall obtain an Income Computation and Certification Form in the form attached hereto and incorporated herein as Exhibit "C", or on a similar form required by any Additional Regulatory Agreement if such form requires inclusion of the same information as required in Exhibit "C" (or, if such form does not require inclusion of the same information as required in Exhibit "C", then in addition to providing such form, Developer shall also separately provide all of the information required in Exhibit "C" that is not required to be included by such form), from each such Eligible Tenant dated no more than one hundred twenty (120) days prior to the date of initial occupancy in the Project by such Eligible Tenant. In addition, Developer shall provide such further information as may be reasonably required in the future by County for purposes of verifying a tenant's status as an Eligible Tenant. Developer shall use good faith efforts to verify that the income provided by an applicant is accurate by taking the following steps as a part of the verification process: (i) obtain three (3) pay stubs for the most recent pay periods; (ii) obtain a written verification of income and employment from the applicant's current employer; (iii) obtain an income verification form from the Social Security Administration, California Department of Social Services, and/or California Employment Development Department if the applicant receives assistance from any of said agencies; (iv) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other evidence and/or verification of such applicant's total income received during the calendar year from any source, taxable or nontaxable, or such other information as is satisfactory to County. Developer shall maintain in its records each Income Computation and Certification Form obtained pursuant to this section for a minimum of five (5) years.

4.07 Rental Priority. Subject to all applicable Governmental Requirements, and any funding obtained by Developer to operate and/or develop the Project that has been approved by County, during the term of this Regulatory Agreement, Developer shall use its reasonable commercial efforts to lease the Affordable Units to Eligible Tenants in the following order of priority: (a) Eligible Tenants who have been or will be displaced by an activity of the Successor Agency or County, or (b) Eligible Tenants who live and/or work in the County.

4.08 Recertification. Within one hundred twenty (120) days prior to the first anniversary date of the occupancy of an Affordable Unit by an Eligible Tenant, and on each anniversary date thereafter, Developer shall recertify the income of such Eligible Tenant by obtaining a completed Income Recertification Form, in the form attached hereto

and incorporated herein as Exhibit "D", based upon the current income of each known occupant of the Affordable Unit; provided, however, that if any Additional Regulatory Agreement requires Developer to obtain a recertification form which requires inclusion of the same information as required in Exhibit "D" (or, if such recertification form does not require inclusion of the same information as required in Exhibit "D", then in addition to providing such form, Developer shall also separately provide all of the information required in Exhibit "D" that is not required to be included by such form), then Developer shall not be deemed to be in default hereunder if during the term of such Additional Regulatory Agreement Developer obtains from each Eligible Tenant the recertification form required pursuant to said Additional Regulatory Agreement.

If, after renting an Affordable Unit (the "**Original Unit**"), the household income increases above the income level permitted for the Original Unit, but meets the income level permitted for another Affordable Unit at the Project (the "**Other Unit**"), the household shall continue to be permitted to reside in the Original Unit provided that Developer shall increase the rent for the Original Unit to the rent level designated for the Other Unit, and shall restrict and designate subsequent available Affordable Units as necessary to obtain the affordability mix required by this Agreement.

If, after renting an Affordable Unit, the household income increases above the income level permitted for an 80% Unit, that household may not be permitted to remain in the unit unless requiring such household to move will violate the Tax Credit Rules. In such event, Developer shall notify County in writing of such occurrence, and shall inform County of (1) its plans for removing the household from the Affordable Unit, or (2) the specific rule in the Tax Credit Rules that prohibits such action providing written evidence of the same.

4.09 Certification of Continuing Program Compliance. During the term of this Regulatory Agreement, on or before each July 1 following the date County issues a Release of Construction Covenants for the Project, Developer shall annually advise County of the occupancy of the Project during the preceding calendar year by delivering a Certification of Continuing Program Compliance in the form attached hereto and incorporated herein as Exhibit "E", stating (i) the Affordable Units of the Project which have been rented to and are occupied by Eligible Tenants and (ii) that to the knowledge of Developer either (a) no unremedied default has occurred under this Regulatory Agreement, or (b) a default has occurred, in which event said certification shall describe the nature of the default and set forth the measures being taken by Developer to remedy such default.

4.10 Leases; Rental Agreements for Affordable Units. Developer shall enter into a written lease, the form of which shall comply with the requirements of this Regulatory Agreement, which each tenant/tenant household of the Affordable Units. Developer shall submit the form of lease, or a copy of any executed lease, to County upon written request by County.

4.11 Reliance on Tenant Representations. Each tenant lease shall contain a provision to the effect that Developer has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the

Affordable Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease.

4.12 Monitoring and Record Keeping. Representatives of County shall be entitled to enter the Property during normal business hours, upon not less than twenty-four (24) hours' notice, to monitor compliance with this Regulatory Agreement, to inspect the records of the Property, and to conduct an independent audit or inspection of such records. Developer agrees to cooperate with County in making the Property and all Affordable Units thereon available for such inspection or audit. Developer agrees to maintain records in a businesslike manner, and to maintain copies of original tenant certifications for fifteen (15) years (or such longer period as required under the Tax Credit Rules) and all other records pertaining to the Project for five (5) years.

4.13 Remedy For Violation of Rental Requirements.

(a) It shall constitute a default for Developer to charge or accept for any Affordable Unit rent amounts in excess of the amount provided for in Section 4.02 of this Regulatory Agreement. In the event that Developer charges or receives such higher rental amounts, Developer shall be required to reimburse the tenant that occupied said Affordable Unit at the time the excess rent was received for the entire amount of such excess rent received, provided that such tenant can be found following reasonable inquiry, and to pay to such tenant interest on said excess amount, at the rate of six percent (6%) per annum, for the period commencing on the date the first excess rent was received from said tenant and ending on the date reimbursement is made to the tenant. For purposes of this Section 4.13, "reasonable inquiry" shall include Developer's review of information provided by the tenant as part of the tenant's application, and forwarding information provided by the tenant, and Developer's reasonable attempts to contact the tenant and any other persons listed in either of such documents. If, after such reasonable inquiry, Developer is unable to locate the tenant, Developer shall pay all of such amounts otherwise to be paid to the tenant to County.

(b) Except as otherwise provided in this Regulatory Agreement, it shall constitute a default for Developer to knowingly (or without investigation as required herein) initially rent any Affordable Unit to a tenant who is not an Eligible Tenant. In the event Developer violates this Section, in addition to any other equitable remedy County shall have for such default, Developer, for each separate violation, shall be required to pay to County an amount equal to (i) the greater of (A) the total rent Developer received from such ineligible tenant, or (B) the total rent Developer was entitled to receive for renting that Affordable Unit, plus (ii) any relocation expenses incurred by County as a result of Developer having rented to such ineligible person. The terms of this Section shall not apply if Developer rents to an ineligible person as a result of such person's fraud or misrepresentation.

(c) It shall constitute a default for Developer to knowingly (or without investigation as required herein) rent an Affordable Unit in violation of the leasing preference requirements of Section 4.07 of this Regulatory Agreement. In the event Developer violates this Section, in addition to any other equitable remedy County shall have for such default, Developer, for each separate violation, shall be required to pay County an amount equal to the greater of (A) the total rent Developer received from such

ineligible tenant, or (B) the total rent Developer was entitled to receive for renting that Affordable Unit.

THE PARTIES HERETO AGREE THAT THE AMOUNTS SET FORTH IN THIS SECTION 4.13 (THE "DAMAGE AMOUNTS") CONSTITUTE A REASONABLE APPROXIMATION OF THE ACTUAL DAMAGES THAT COUNTY WOULD SUFFER DUE TO THE DEFAULTS BY DEVELOPER SET FORTH IN THIS SECTION 4.13, CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF REGULATORY AGREEMENT, INCLUDING THE RELATIONSHIP OF THE DAMAGE AMOUNTS TO THE RANGE OF HARM TO COUNTY AND ACCOMPLISHMENT OF COUNTY'S PURPOSE OF ASSISTING IN THE PROVISION OF AFFORDABLE HOUSING TO ELIGIBLE TENANTS THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. THE AMOUNTS SET FORTH IN THIS SECTION 4.13 SHALL BE THE SOLE MONETARY DAMAGES REMEDY FOR THE DEFAULTS SET FORTH IN THIS SECTION 4.13, BUT NOTHING IN THIS SECTION 4.13 SHALL BE INTERPRETED TO LIMIT COUNTY'S REMEDY FOR SUCH DEFAULT TO SUCH A DAMAGES REMEDY AND IN THAT REGARD COUNTY MAY DECLARE A DEFAULT UNDER THE TERMS OF THE COUNTY NOTE, THE AGREEMENT, OR OTHER AGREEMENTS ENTERED INTO BY AND BETWEEN COUNTY AND DEVELOPER. IN PLACING ITS INITIALS AT THE PLACES PROVIDED HEREINBELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO HAS EXPLAINED THE CONSEQUENCES OF THE LIQUIDATED DAMAGES PROVISION AT OR PRIOR TO THE TIME EACH EXECUTED THIS REGULATORY AGREEMENT.

DEVELOPER'S INITIALS:

COUNTY'S INITIALS:

4.14 Relationship to Additional Regulatory Agreements. Notwithstanding any other provisions set forth in this Regulatory Agreement and subject to the following sentence, to the extent that the provisions related to tenant selection, tenant income levels and unit rent levels set forth in any Additional Regulatory Agreement are less restrictive than those provisions set forth in this Section 4, then the provisions set forth in this Section 4 shall govern and control. To the extent of any inconsistency between this Regulatory Agreement and any Additional Regulatory Agreement regarding Affordable Rent for the Affordable Units, the more restrictive agreement or covenants shall prevail unless compliance with such more restrictive provisions would violate the provisions of the less restrictive document.

Developer agrees to perform all of Developer's obligations under this Regulatory Agreement, and under each of the Additional Regulatory Agreements. In the event County is prevented by a final, non-appealable order of a court of competent jurisdiction in a lawsuit involving the Project, or by an applicable and binding published appellate opinion, or by a final, non-appealable order of a regulatory body having jurisdiction, from enforcing, for any reason, the affordability restrictions set forth in this Regulatory Agreement or in the Agreement, then in such event, unless prohibited to TCAC, County

shall be a third-party beneficiary under the Additional Regulatory Agreements, and shall have full authority to enforce any breach or default by Developer thereunder in the same manner as though it were a breach or default hereunder.

4.15 AHAP Contract; HAP Contract; PBV Units. Developer shall use commercially reasonable efforts to secure and enter into an AHAP Contract and HAP Contract, and to continually renew such contracts throughout the term of this Regulatory Agreement. Notwithstanding anything to the contrary in this Regulatory Agreement, during the term of any HAP Contract for the Property, the Affordable Units subject to project-based-voucher assistance pursuant to the HAP Contract (the “**PBV Units**”) shall be subject to the tenant selection and rental requirements and restrictions set forth in the HAP Contract, and to the extent that with respect to the PBV Units there is a conflict between the terms of this Regulatory Agreement and the terms of the HAP Contract, then with respect to the PBV Units the terms of the HAP Contract shall control. For the avoidance of doubt, the PBV Units shall not be subject to the tenant selection and priority requirements set forth in Sections 4.03 and 4.07 of this Regulatory Agreement. Any effective AHAP Contract and HAP Contract shall constitute an Additional Regulatory Agreement.

SECTION 5. COVENANT TO PAY TAXES AND ASSESSMENTS.

Developer shall pay prior to delinquency all ad valorem real estate taxes, special taxes, assessments and special assessments levied against the Property, subject to Developer’s right to contest any such tax in good faith and any property tax exemption.

SECTION 6. COVENANTS REGARDING MAINTENANCE.

Developer shall maintain the Property and all improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with all applicable provisions of the County Code, and in accordance with HUD’s Housing Quality Standards. Developer shall maintain the improvements and landscaping on the Property in accordance with the “Maintenance Standards,” as hereinafter defined. Such Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other improvements on the Property. To accomplish the maintenance, Developer shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Regulatory Agreement.

Developer and its maintenance staff, contractors or subcontractors shall comply with the following standards (the “**Maintenance Standards**”):

(a) The Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable high quality, well-managed apartment complexes, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curblin.

(b) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(c) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths, and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris, or other matter which is unsafe or unsightly; removal of all trash, litter, and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves, and other debris are properly disposed of by maintenance workers.

Upon County's written notification to Developer of any maintenance deficiency, Developer shall have thirty (30) days within which to correct, remedy or cure the deficiency, or such longer period as is reasonably necessary to complete the cure, provided Developer commences the correction, remedy, or cure within such thirty (30) day period and diligently pursues such correction, remedy, or cure to completion.

SECTION 7. COVENANTS REGARDING MANAGEMENT.

Developer shall provide for the management of the Project in accordance with this Section.

7.01 Property Manager. Developer shall manage or cause the Project, and all appurtenances thereto that are a part of the Project, to be managed in a prudent and business-like manner, consistent with property management standards for other comparable high quality, well-managed rental housing projects and commercial developments in Santa Cruz County, California. Developer may contract with a property management company or property manager to operate and maintain the Project in accordance with the terms of this Section ("**Property Manager**"); provided, however, the selection and hiring of the Property Manager (and each successor or assignee) is and shall be subject to prior written approval of County. Developer shall conduct due diligence and background evaluation of any potential outside property manager or property management company to evaluate experience, references, credit worthiness, and related qualifications as a property manager. Any proposed property manager shall have prior experience with projects and properties comparable to the Project and the references and credit record of such manager/company shall be investigated (or caused to be investigated) by Developer prior to submitting the name and qualifications of such proposed property manager to County for review and approval. A complete and true copy of the results of such background evaluation shall be provided to County. Approval of a Property Manager by County shall not be unreasonably withheld or delayed and shall be in County's reasonable discretion, and County shall use good faith efforts to respond as promptly as practicable in order to facilitate effective and ongoing management of the Project. Furthermore, the identity and retention of any approved Property Manager shall not be changed without the prior written approval of County, which approval shall not be

unreasonably delayed, and shall be in County's reasonable discretion. The selection by Developer of any new Property Manager also shall be subject to the foregoing requirements. County hereby approves MidPen Property Management as the initial Property Manager.

7.02 Management Plan. Not less than ninety (90) days prior to County's issuance of a certificate of occupancy, Developer shall prepare and submit to the Planning Director for review and approval an updated and supplemented management plan which includes a detailed plan and strategy for long-term marketing for the Affordable Units, operation, maintenance, repair, and security of the Project, method of selection of tenants, rules and regulations for tenants, and other rental policies for the Affordable Units (the "**Management Plan**"). Subsequent to approval of the Management Plan by the Planning Director, the ongoing management and operation of the Project shall be in compliance with the approved Management Plan. Developer and Property Manager may from time to time submit to the Planning Director proposed amendments to the Management Plan, which are also subject to the prior written approval of the Planning Director.

7.03 Social Services. Prior to and as one of Successor Agency's conditions to the Close of Escrow under the Agreement, Developer shall have prepared and submitted to the Planning Director for review and approval a resident services plan (the "**Resident Services Plan**"). Developer shall provide a variety of social services at the Project; as set forth in the Resident Services Plan. No changes may be made to the Resident Services Plan without the prior written approval of the Planning Director, which shall be given or withheld in his or her reasonable discretion. Developer's social service program shall be targeted to the needs of the residents of the Project which shall include, in addition to all of the services listed in Developer's applications for Tax Credits and Tax-Exempt Bonds (applicable only if Developer finances the Project with Tax-Exempt Bonds), the following services: after school programs of an ongoing nature for school age children, and the availability of a services coordinator to the tenants. Developer shall ensure that all personnel providing or coordinating all social services shall be adequately trained and counseled, including with respect to the appropriate means and methods of communicating and interacting with residents. Any substantive change in the scope, amount, or type of supportive services to be provided at the Property, whether or not such change requires a change to the Resident Services Plan, shall be subject to prior reasonable approval of County. County shall respond to any such proposed changes within thirty (30) days after submittal to County by Developer.

7.04 Gross Mismanagement. In the event of "Gross Mismanagement" (as that term is defined below) of the Affordable Units or any part of the Project, County shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, and further to direct and require the immediate removal of the Property Manager and replacement with a new qualified and approved Property Manager, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of Notice from County. If such condition(s) acts, or inactions of gross mismanagement do persist beyond such period, County shall have the sole and absolute right to immediately and without further notice to Developer (or to Property Manager or any other person/entity) replace the Property

Manager with a new property manager of County's selection at the sole cost and expense of Developer. If Developer takes steps to select a new property manager that selection is subject to the requirements set forth above for selection of a Property Manager.

For purposes of this Regulatory Agreement, the term "**Gross Mismanagement**" shall mean management of any part of the Project in a manner which materially violates the terms and/or intention of this Regulatory Agreement to operate a high quality, well-managed residential complex, and shall include, but is not limited to, any one or more of the following:

- (a) knowingly leasing Affordable Units to tenants who exceed the prescribed income levels;
- (b) knowingly allowing the tenants of Affordable Units to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;
- (c) underfunding Capital Replacement or Operating Reserve accounts, unless funds are not available to deposit in such accounts;
- (d) failing to timely maintain the Project in accordance with the Management Plan and the manner prescribed herein;
- (e) failing to submit timely and/or adequate annual reports to County as required herein;
- (f) committing fraud or embezzlement with respect to Project funds, including without limitation funds in the reserve accounts;
- (g) failing to reasonably cooperate with the County of Santa Cruz Sheriff's Department or other local law enforcement agency(ies) with jurisdiction over the Project, in maintaining a crime-free environment within the Project;
- (h) failing to reasonably cooperate with the County Fire District or other local public safety agency(ies) with jurisdiction over the Project, in maintaining a safe environment within the Project;
- (i) failing to reasonably cooperate with the County Code Enforcement Division, or other local health and safety enforcement agency(ies) with jurisdiction over the Property and/or Project, in maintaining a safe environment within the Project; and
- (j) spending funds from the Capital Reserve account(s) for items that are not defined as capital costs under the standards imposed by generally accepted accounting principles (GAAP) (and/or, as applicable, generally accepted auditing principles.)

Notwithstanding the requirements of the Property Manager to correct any condition of Gross Mismanagement as described above, Developer is obligated and shall use its best efforts to correct any defects in property management or operations at the earliest feasible time and, if necessary, to replace the Property Manager as provided above. Developer shall include advisement and provisions of the foregoing requirements and

requirements of this Regulatory Agreement within any contract between Developer and its Property Manager.

7.05 Property Inspections. Developer acknowledges and agrees that County and its employees and authorized agents shall have the right to conduct inspections of the Project and the individual Affordable Units, both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice) to Developer and/or an individual tenant. If such notice is provided by the County or its representative(s) to Developer, then Developer (or its Property Manager) shall immediately and directly advise tenants of such upcoming inspection and cause access to the area(s) and/or units to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Affordable Unit in order for each and every tenant and tenant household to be aware of this inspection right.

7.06 Drug Free Covenant. Developer shall use its best efforts to maintain a drug free environment on the Property. Developer covenants to County that Developer shall use its best efforts to ensure that all persons working or residing on the Property shall not unlawfully manufacture, distribute, dispense, possess or use controlled substances, as said term is defined in 21 United States Code Section 812 and California Health and Safety Code Section 11007 (or successor statutes) on the Property.

SECTION 8. COVENANTS REGARDING NONDISCRIMINATION.

Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person, or group of persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, or any part thereof, nor shall Developer, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property, or any part thereof. The foregoing covenants shall run with the land.

Developer agrees for itself and any successor in interest that Developer shall refrain from restricting the rental, sale, or lease of any portion of the Property, or contracts relating to the rental, sale or lease of the Property, on the basis of race, color, creed, religion, sex, marital status, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and

Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) **In contracts:** "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

The covenants established in this Regulatory Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of County, its successors and assigns, and any successor in interest to the Property, together with any property acquired by Developer pursuant to this Regulatory Agreement, or any part thereof. The covenants against discrimination shall remain in effect in perpetuity.

SECTION 9. OPERATING BUDGET OR ANNUAL BUDGET; ANNUAL AND QUARTERLY REPORTS

9.01 Operating Budget. Developer shall submit to County on or before November 1 of each year an operating budget for the Project ("**Operating Budget**" or "**Annual Budget**"), which budget, including the format thereof, shall be subject to the written approval of the Planning Director or designee, which approval shall not be unreasonably withheld or conditioned so long as such budget is not inconsistent with this Regulatory Agreement. The Planning Director's discretion in review and approval of each proposed annual Operating Budget or Annual Budget shall include, without limitation,

authority to review individual categories, line items, and accounts, such as the following: property and other taxes and assessments imposed on the Project; premiums for property damage and liability insurance; utility services not paid for directly by the tenants, including (as applicable), but not limited to, water, sewer, trash collection, gas, and electricity; maintenance and repairs including but not limited to pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial supplies; resident services pursuant to the Resident Services Plan; additional supportive services necessary to help residents maintain personal or household stability and housing status; any license or certificates of occupancy fees required for operation of the Project; general administrative expenses, including, but not limited to, advertising, marketing, security services and systems, professional fees for legal, audit, accounting and tax returns, and other; property management fees and reimbursements including on-site manager expenses, not to exceed fees and reimbursements which are standard in the industry and pursuant to a management contract approved by County (which such approval will not be unreasonably withheld); asset management fees; annual cash deposited into the Capital Replacement Reserve in an amount approved by County pursuant to Section 1 above, provided any changes to the amount deposited into the Capital Replacement Reserve will require County approval unless such change is a higher amount that is required by Developer's senior lender or the Investor, pursuant to the terms of the Partnership Agreement; cash deposited into the Operating Reserve for the Project and such other reserves as may be required by Developer's senior lender or the Investor; and debt service payments of loans in senior position to this loan . In the event Developer requires an amendment to an approved Annual Budget, then Developer shall submit a written request to the Planning Director explaining the requested amendment and reasons therefor; the Planning Director shall reasonably review and approve (or disapprove) each request for an amendment to an approved Annual Budget. The Planning Director shall communicate to Developer his or her reasonable approval or disapproval of a proposed annual Operating Budget or Annual Budget within thirty (30) days after receipt thereof; as to each amendment, the Executive Developer shall communicate to Developer his or her reasonable approval or disapproval within fifteen (15) days after receipt of a complete submittal requesting an amendment to an approved Annual Budget. In the event the Planning Director fails to approve a proposed annual Operating Budget or Annual Budget within thirty (30) days after receipt thereof, Developer may operate the Project in accordance with such proposed annual Operating Budget or Annual Budget until the Planning Director notifies Developer that such proposed annual Operating Budget or Annual Budget is not approved; provided, however, that in such case any expenditure made by Developer prior to the Planning Director's notification that the proposed annual Operating Budget or Annual Budget is not approved shall be deemed an approved expenditure.

9.02 Annual Reports. Developer covenants and agrees to submit to County an annual report (the "Annual Report"), which shall include the information required by California Health & Safety Code Section 33418. The Annual Report shall include for each Affordable Unit the rental rate and the income and family size of the occupants. The Developer shall submit the Annual Report on or before September 1st of the year following the year covered by the Annual Report. The Developer shall provide for the submission of household information and certification in its leases with tenants.

9.03 Quarterly Reports. Upon execution of this Regulatory Agreement and until permanent loan conversion, Developer shall also submit on a quarterly basis a quarterly report for the management of the Property (the “**Quarterly Report**”). The Quarterly Report shall describe the Project-related tasks performed in the past 3 months and the expected Project-related tasks to be performed in the upcoming 3 months. The report should include an updated Project schedule, including a schedule for completing milestones and/or tasks, and should indicate the status of the Project in relationship to this timeline. Developer shall document any changes from the timeline submitted with the most recent funding application. From time to time, County may request from Developer an updated Project proforma which shall include a development budget with sources and uses, debt sizing, calculations and pricing for the Tax Credits, 30-year operating proforma, base year income projection, and maintenance and operating expenses; Developer will have thirty (30) days to satisfy such request. The Quarterly Report shall be in a form that is reasonably acceptable to the Planning Director. The Planning Director, in his/her sole discretion may waive the requirement of the Quarterly Report for one or more quarterly reporting periods. However, such waiver shall not operate to waive any subsequent requirement of the Quarterly Report. After receipt of such certified financial statements for the Project, County may request additional financial analysis or obtain a third party review at County’s own expense, of financial statements for the Project to verify the accuracy of the payments by Developer on the County Note or the required deposits into the Capital Replacement Reserve.

SECTION 10. COVENANTS REGARDING CAPITAL REPLACEMENT RESERVE.

Promptly upon the conversion of Developer’s Construction Financing to Permanent Financing, Developer shall establish the Capital Replacement Reserve. Funds in the Capital Replacement Reserve shall be used only for capital repairs, improvements, and replacements to the Project fixtures and equipment which may be capitalized under generally accepted accounting principles. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve or lessen Developer’s obligation to undertake any and all necessary capital repairs, improvements, or replacements and to continue to maintain the Project in the manner prescribed herein. Not less than once per year, Developer, at its expense, shall submit to County an accounting for the Capital Replacement Reserve. Capital repairs to and replacement of the Project shall include only those items with a long useful life, including, without limitation, the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting.

SECTION 11. COVENANTS REGARDING OPERATING RESERVE.

Promptly upon conversion of Developer’s Construction Financing to Permanent Financing, Developer shall establish the Operating Reserve. The Operating Reserve

shall be used to cover shortfalls between Annual Project Revenue and actual operating expenses, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Replacement Reserve. Developer shall, not less than once per every twelve (12) months, submit to County evidence reasonably satisfactory to County of compliance herewith.

SECTION 12. EFFECT OF VIOLATION OF THE TERMS AND PROVISIONS OF THIS REGULATORY AGREEMENT AFTER COMPLETION OF CONSTRUCTION.

County is deemed the beneficiary of the terms and provisions of this Regulatory Agreement and of the covenants running with the land, without regard to whether County has been, remains or is an owner of any land or interest therein in the Property or in the Project. County shall have the right, if this Regulatory Agreement or any of the covenants herein are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Regulatory Agreement and covenants may be entitled. The County is hereby deemed to be a third party beneficiary of this Regulatory Agreement and the covenants contained herein with the right, but not the obligation, to enforce the terms hereof. Except as provided in the following sentence, the covenants contained in this Regulatory Agreement shall remain in effect until the expiration of the Affordability Period. The covenants regarding discrimination as set forth in Section 8 shall remain in effect in perpetuity.

SECTION 13. COMPLIANCE WITH LAWS; ENVIRONMENTAL MATTERS.

13.01 Compliance With Laws. Developer shall comply with (i) all Governmental Requirements applicable to the Project and/or Property, (ii) any permit issued pursuant to the National Pollutant Discharge Elimination System (“NPDES”) and applicable to the Project and/or Property, and (iii) all rules and regulations of any assessment district of the County with jurisdiction over the Property.

13.02 Indemnity. Developer shall save, protect, defend, indemnify and hold harmless County and Successor Agency and County and Successor Agency Personnel from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines, and monetary sanctions), losses, costs or expenses (including, without limitation, consultants’ fees, investigation and laboratory fees, reasonable attorneys’ fees, and remedial and response costs) (the foregoing are hereinafter collectively referred to as “**Liabilities**”) which may now or in the future be incurred or suffered by any of County and Successor Agency and County and Successor Agency Personnel by reason of, resulting from, in connection with, or existing in any manner whatsoever as a direct or indirect result of (i) Developer’s failure to comply with all applicable Governmental Requirements; (ii) Developer’s failure to comply with any applicable NPDES permit; (iii) Developer’s placement on or under the Property of any Hazardous Materials or Hazardous Materials Contamination, (iv) Developer’s breach of its obligations under Section 5.4 or 5.5 hereinafter; or (v) any Liabilities incurred under any Governmental Requirements relating to the acts described in the foregoing clauses (i), (ii), (iii), and (iv). Except for obligations assumed by Developer in Section 13.03 and Section 13.04 hereinafter, Developer shall have no indemnity obligation to any of the

County and Successor Agency and County and Successor Agency Personnel for any Liabilities arising from or related to Successor Agency's or County's failure to comply with any Governmental Requirements, whether known or unknown, that existed or arose prior to the Date of Regulatory Agreement, regardless of when such Liabilities may accrue.

13.03 Duty to Prevent Hazardous Material Contamination. Developer shall take commercially reasonable action to prevent the exacerbation of an existing release of any Hazardous Materials located on the Property and the release of any new Hazardous Materials to the Property after the Date of Regulatory Agreement. For the avoidance of ambiguity only, nothing in the previous sentence shall limit Developer from maintaining Hazardous Materials existing on the Property prior to the Date of Regulatory Agreement or consolidating such Hazardous Materials on the Property, all to the extent permitted by Law. Developer's duty to prevent Hazardous Materials Contamination shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the standards generally applied by apartment complexes in Santa Cruz County, California as respects the disclosure, storage, use, removal, and disposal of Hazardous Materials.

13.04 Obligation of Developer to Remediate Premises. Notwithstanding the obligation of Developer to indemnify County and Successor Agency and County and Successor Agency Personnel pursuant to Section 13.02, and provided no Hazardous Materials exist on the Property as a result of either County or Successor Agency's actions, Developer shall, at its sole cost and expense, promptly take (i) all actions required by any federal, state, regional, or local governmental agency or political subdivision or any Governmental Requirements and (ii) all actions necessary to make full economic use of the Property for the purposes contemplated by this Regulatory Agreement and the Agreement, which requirements or necessity arise from the presence upon, about or beneath the Property, of any Hazardous Materials or Hazardous Materials Contamination. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work.

13.05 Environmental Inquiries. Developer, when it has received any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, or cease and desist orders related to Hazardous Materials or Hazardous Materials Contamination, or when Developer is required to report to any governmental agency any violation or potential violation of any Governmental Requirement pertaining to Hazardous Materials or Hazardous Materials Contamination, shall concurrently notify the Planning Director, and provide to him/her a copy or copies, of the environmental permits, disclosures, applications, entitlements, or inquiries relating to the Property, the notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements, and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and Developer shall report to the Planning Director, as soon as possible after each incident, any unusual, potentially important incidents.

In the event of a responsible release of any Hazardous Materials into the environment in violation of law, Developer shall, as soon as possible after it becomes aware of the release, furnish to the Planning Director a notification that the release occurred and a copy of any and all test results and final reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of the Planning Director, Developer shall furnish to the Planning Director a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits, test results and final reports including, without limitation, those reports and other matters which may be characterized as confidential. For the avoidance of ambiguity only, Developer shall be under no obligation to furnish any attorney-client privileged documents; provided, however, that Developer may not withhold from County facts regarding a violation of law that affects the Property

SECTION 14. INSURANCE REQUIREMENTS.

14.01 General. Commencing on the Date of Regulatory Agreement and continuing in perpetuity, Developer shall procure and maintain, at its sole cost and expense, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects County and any insurance or self-insurance maintained by County shall be considered in excess of Developer's insurance coverage and shall not contribute to it. If Developer normally carries insurance in an amount greater than the minimum amount required by County for this Regulatory Agreement, that greater amount shall become the minimum required amount of insurance for purposes of this Regulatory Agreement. Therefore, Developer hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Regulatory Agreement. Insurance is to be obtained from insurers reasonably acceptable to County.

If Developer utilizes one or more subcontractors in the performance of this Regulatory Agreement, Developer shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of Developer in this Regulatory Agreement, unless Developer and County both initial here ____ / ____.

14.02 Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the Developer has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of Developer's vehicles used in the performance of this Regulatory Agreement, including owned, non-owned (e.g. owned by Developer's employees), leased or hired vehicles, in the minimum amount of \$1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the Developer does not drive a

vehicle in conjunction with any part of the performance of this Regulatory Agreement and Developer and County both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$3,000,000 per occurrence, and \$5,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$_____ combined single limit, if, and only if, this subparagraph is initialed by Developer and County ____ / ____.

(5) Builder's Risk (course of construction) insurance coverage in an amount equal to the full cost of the hard construction costs of the Project. Such insurance shall cover, at a minimum: all work, materials, and equipment to be incorporated into the Project; the Project during construction; the completed Project until such time as (i) County issues a final certificate of occupancy (or equivalent document, if County does not issue certificates of occupancy), and (ii) County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement, and storage and transportation risks. Such insurance shall protect/insure the interests of Developer/owner and all of Developer's contractor(s), and subcontractors, as each of their interests may appear. If such insurance includes an exclusion for "design error," such exclusion shall only be for the object or portion which failed. County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall terminate on the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

(6) Insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in Santa Cruz County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquakes to the extent required by any Project lender or Investor. County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

(7) Business interruption and extra expense insurance to protect Developer and County covering loss of revenues and/or extra expense incurred by reason of the total or partial suspension or delay of, or interruption in, the operation of the Project caused by loss or damage to, or destruction of, any part of the insurable real property structures or equipment as a result of the perils insured against under the all risk physical

damage insurance, covering a period of suspension, delay or interruption of at least twelve (12) months, in an amount not less than the amount required to cover such business interruption and/or extra expense loss during such period. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

(8) Boiler and machinery insurance in the aggregate amount of the full replacement value of the equipment typically covered by such insurance. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

14.03 Other Insurance Provisions

(1) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover Successor Agency and the County of Santa Cruz, and their respective officials, officers, members, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of Developer, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(2) All required policies shall be endorsed to contain the following clause:

"This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

Santa Cruz County
Planning Department
Attn: Housing Manager
701 Ocean Street, Room 418
Santa Cruz, CA 95060

Should Developer fail to obtain such an endorsement to any policy required hereunder, Developer shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the County as a material term of this Agreement.

(3) Developer agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide County on or before the Date of Regulatory Agreement with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning

shall not waive the Developer's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

Santa Cruz County
Planning Department
Attn: Housing Manager
701 Ocean Street, Room 418
Santa Cruz, CA 95060

(4) Developer hereby grants to County a waiver of any right of subrogation which any insurer of said Developer may acquire against County by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

14.04 Developer's Continuing Indemnification Obligations. Developer agrees that the provisions of this Section shall not be construed as limiting in any way County's right to indemnification or the extent to which Developer may be held responsible for the payment of damages to any persons or property resulting from Developer's activities or the activities of any person or persons for which Developer is otherwise responsible.

14.05 Remedies for Defaults Re: Insurance. In addition to any other remedies County may have, if Developer commits a default hereunder by failing to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, County may at its sole option, obtain such insurance and invoice the Developer for the amount of said premium. Exercise of the remedy set forth herein, however, is an alternative to other remedies County may have and is not the exclusive remedy for Developer's failure to maintain insurance or secure appropriate endorsements.

14.06 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. If the Project shall be totally or partially destroyed or rendered uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall, subject to the rights of the lender providing Construction Financing or Permanent Financing, promptly proceed to obtain all available insurance proceeds and, to the extent proceeds are available, take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as it existed prior to the casualty, and Developer shall complete or cause to be completed the same as soon as possible thereafter so that the Project can be operated in accordance with this Regulatory Agreement. County shall cooperate with Developer, at no expense to County, in an effort to obtain any governmental permits required for such repair, replacement, or restoration.

14.07 Indemnification. Developer shall defend (by counsel reasonably satisfactory to County), assume all responsibility for and hold County and Successor Agency and County and Successor Agency Personnel harmless from all claims or suits for, and damages to, property and injuries to persons, including accidental death (including expert witness fees, attorney's fees and costs), which may be caused by the

activities or performance of Developer or any of Developer's employees, agents, representatives, contractors, or subcontractors under (i) this Regulatory Agreement, (ii) a claim, demand or cause of action that any person has or asserts against Developer; (iii) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person with respect to the Property; or (iv) the ownership, occupancy or use of the Property by Developer, whether such damage shall accrue or be discovered before or after termination of this Regulatory Agreement. The obligations and indemnifications in this Section 14.07 shall constitute covenants running with the land.

SECTION 15. ASSIGNMENT.

15.01 Generally Prohibited. Except as otherwise expressly provided to the contrary in this Regulatory Agreement, Developer shall not assign any of its rights or delegate any of its duties under this Regulatory Agreement, nor shall any changes occur with respect to the ownership and/or control of Developer, including, without limitation, stock transfers, sales of issuances, or transfers, sales or issuances of membership or ownership interests, or statutory conversions, without the prior written consent of the Planning Director, which consent may be withheld in his or her sole and absolute discretion. Any such assignment or delegation without such consent shall, at County's option, be void. Notwithstanding the foregoing, however, (i) Developer may admit Developer's Tax Credit investor (the "**Investor**") as a 99.99% Tax Credit limited partner without obtaining any consent, and such Investor may assign its interests as a 99.99% Tax Credit limited partner to a subsequent reputable institutional investor without any consent; and (ii) Developer may transfer the Project to MidPen or an Affiliate of MidPen pursuant to the right of first refusal or purchase option entered into between MidPen and the Partnership at the Close of Escrow pursuant to the Partnership Agreement; and (iii) the Investor may remove the general partner for a default under the Partnership Agreement, provided the replacement general partner is reasonably acceptable to County. For purposes of this Section 15.01, if the Investor transfers to an entity in which the Investor or an Affiliate of the Investor is the general partner or managing member such transferee entity shall be deemed to be a "reputable institutional investor." This Section 15.01 shall not be applicable to the leasing of Affordable Units to Eligible Tenants in accordance with this Regulatory Agreement.

15.02 Release of Developer. Upon any such assignment made in compliance with Section 15.01 above which is evidenced by a written assignment and assumption agreement in a form approved by County's counsel, Developer shall be released from any liability under this Regulatory Agreement arising from and after the date of such assignment.

SECTION 16. DEFAULTS AND REMEDIES.

16.01 Default. Subject to the extensions of time set forth in Section 17.02 of this Regulatory Agreement, failure by either Party to perform any action or covenant required by this Regulatory Agreement or under the Agreement within the time periods provided herein and therein following Notice and failure to cure as described hereafter, constitutes a "Default" under this Regulatory Agreement. A Party claiming a Default shall give written Notice of Default to the other Party specifying such Default. Except as otherwise expressly provided in this Regulatory Agreement or in the Agreement, the claimant shall

not institute any proceeding against any other Party, and the other Party shall not be in Default if such party within thirty (30) days from receipt of such Notice, cures, corrects or remedies such failure or delay, or if such Default cannot reasonably be cured within thirty (30) days, such Party commences such cure within thirty (30) days of receipt of such Notice and thereafter diligently prosecutes such cure to completion.

16.02 Remedies; Institution of Legal Actions. Developer's sole remedy for County's breach of this Regulatory Agreement shall be to institute an action at law or equity to seek specific performance of the terms of this Regulatory Agreement. Developer shall not be entitled to recover damages for any Default of County hereunder. County shall be entitled to seek any remedy available at law and in equity for Developer's breach of this Regulatory Agreement. All legal actions must be instituted in the Superior Court of the County of Santa Cruz, State of California, or in the United States District Court for District of California in which Santa Cruz County is located.

16.03 Termination by County. In the event that Developer is in Default of this Regulatory Agreement or the Agreement, and (i) such Default is material and (ii) Developer fails to cure such Default within the time set forth in Section 16.01 hereof, then County may, at County's option, terminate this Regulatory Agreement.

16.04 Acceptance of Service of Process. In the event that any legal action is commenced by Developer against County, service of process on County shall be made by personal service upon the Planning Director or in such other manner as may be provided by law. In the event that any legal action is commenced by County against Developer, service of process on Developer shall be made in such manner as may be provided by law.

16.05 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Regulatory Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party.

16.06 Inaction Not a Waiver of Default. Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

16.07 Applicable Law. The internal laws of the State of California shall govern the interpretation and enforcement of this Regulatory Agreement, without regard to conflict of law principles.

SECTION 17. GENERAL PROVISIONS.

Notices, Demands and Communications Between the Parties. Any notices, demands or other communications required or permitted to be given by any provision of this Agreement or which any party may desire to give the other ("**Notices**") shall be given in writing to the appropriate party, and shall be (a) delivered personally, (b) sent as a PDF

or similar attachment to an e-mail, provided that such e-mail shall be followed with a hard copy sent by first-class mail, postage prepaid, within one (1) business day, (c) sent by certified mail, postage prepaid, or (d) sent by a reputable delivery service which provides a receipt with the time and date of delivery, addressed to a party, at the addresses set forth below, or to such other address as said party may hereafter or from time to time designate by written notice to the other party. All Notices shall be addressed as follows:

If to Developer:	MP Live Oak Associates, L.P. c/o MidPen Housing Corporation 303 Vintage Park Drive, Suite 250 Foster City, CA 94404 Attn: Jan Lindenthal Telephone No.: 650-356-2919 E-mail: jlindenthal@midpen-housing.org
If to County:	County of Santa Cruz 701 Ocean Street, Room 418 Santa Cruz, CA 95060 Attn: Planning Director Reference: 17 th & Capitola Redevelopment Project Telephone No.: 831-454-2332 E-mail: HousingProgramsInfo@santacruzcounty.us
with a copy to	Rutan & Tucker, LLP 611 Anton, Suite 1400 Costa Mesa, CA 92626 Attn: Allison LeMoine-Bui, Esq. Telephone No.: 714-641-5100 E-mail: alemoine-bui@rutan.com

Notice given by United States Postal Service or delivery service as provided herein shall be considered given on the earlier of the date on which said notice is actually received by the party to whom such notice is addressed, or as of the date of delivery, whether accepted or refused, established by the United States Postal Service return receipt or such overnight carrier's receipt of delivery, as the case may be. Notice given by e-mail attachment as provided above shall be deemed given on the date on which the e-mail was sent, provided the recipient has confirmed receipt as evidenced by sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement, provided that, if recipient has not confirmed receipt of any notice or other communication to be delivered by e-mail attachment as provided above, notice shall be deemed given on the next business day, provided the such e-mail was followed up with a hard copy as required above). Any such notice not so given shall be deemed given upon receipt of the same by the party to which it is addressed.

Addresses for notice may be changed from time to time by notice to the other Party. Notwithstanding that Notices shall be deemed given when delivered, the non-

receipt of any Notice as the result of a change of address of which the sending Party was not notified shall be deemed receipt of such Notice.

17.01 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Regulatory Agreement, performance by either Party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Regulatory Agreement shall be extended, where delays or Defaults are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine; restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts or omissions of the other Party; acts or failures to act of any public or governmental agency or entity (other than the acts or failures to act of County which shall not excuse performance by County); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Regulatory Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other party within ten (10) days of the commencement of the cause. Times of performance under this Regulatory Agreement may also be extended in writing by the mutual agreement of County and Developer. Notwithstanding any provision of this Regulatory Agreement to the contrary, the lack of funding to complete the construction of the Project shall not constitute grounds of enforced delay pursuant to this Section.

17.02 Relationship Between County and Developer. It is hereby acknowledged by Developer that with the exception of any membership interest of County in the general partner of Developer, the relationship between County and Developer is not that of a partnership or joint venture and that County and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, with the exception of (i) any membership interest of Landlord in the general partner of Tenant, and (ii) any provisions expressly set forth to the contrary in the Agreement, herein, or in the exhibits hereto, County shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Project. Developer agrees to indemnify, hold harmless and defend County from any claim made against County arising from a claimed relationship of partnership or joint venture between County and Developer with respect to the development, operation, maintenance or management of the Property or the Project, except to the extent occasioned by the active negligence or willful misconduct of County or its designated agents or employees.

17.03 No Third Party Rights. The Parties intend that no rights nor remedies be granted to any third party as a beneficiary of this Regulatory Agreement or of any covenant, duty, obligation or undertaking established herein.

17.04 County Approvals and Actions. This Regulatory Agreement shall be administered and executed on behalf of County by the Planning Director. The Planning Director shall have the authority to issue interpretations, waive terms and conditions, enter into implementing agreements and amendments of this Regulatory Agreement on

behalf of County provided that such actions do not substantially change the uses or development permitted on the Property, materially add to the costs or obligations, increase the risk of liability, or impair the rights or remedies, of County provided herein, or materially decrease the revenues or other compensation to be received by County hereby. All other waivers or amendments shall require the formal consent of the Board of Directors of County.

17.05 Counterparts. This Regulatory Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement.

17.06 Integration. This Regulatory Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Regulatory Agreement. Each Party is entering this Regulatory Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such party deems material. This Regulatory Agreement constitutes the entire understanding and agreement of the Parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

17.07 Real Estate Brokerage Commission. County and Developer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

17.08 Attorneys' Fees. In any action between the Parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with, any of the terms or provisions of this Regulatory Agreement, the prevailing Party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled, reasonable costs, expenses including, without limitation, litigation costs, reasonable attorneys' fees, and expert witness fees.

17.09 Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe, or limit the scope or the intent of this Regulatory Agreement or of any of its terms. Reference to section numbers are to sections in this Regulatory Agreement, unless expressly stated otherwise.

17.10 Interpretation. As used in this Regulatory Agreement, masculine, feminine, or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Regulatory Agreement shall be interpreted as though prepared jointly by both Parties.

17.11 No Waiver. All waivers of the provisions of this Regulatory Agreement must be in writing by the appropriate authorities of Developer and County. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Regulatory Agreement to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Regulatory Agreement.

17.12 Modifications. Any alteration, change or modification of or to this Regulatory Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

17.13 Severability. If any term, provision, condition or covenant of this Regulatory Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Regulatory Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

17.14 Computation of Time. The time in which any act is to be done under this Regulatory Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

17.15 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Regulatory Agreement, and in signing this Regulatory Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Regulatory Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Regulatory Agreement; and, they have freely signed this Regulatory Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Regulatory Agreement, and without duress or coercion, whether economic or otherwise.

17.16 Time of Essence. Time is expressly made of the essence with respect to the performance by County and Developer of each and every obligation and condition of this Regulatory Agreement.

17.17 Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Regulatory Agreement including, but not limited to, releases or additional agreements.

17.18 Non-Liability of Officials and Employees of County and the Successor Agency. No member, director, officer, employee, or volunteer of County of the Successor Agency shall be personally liable to Developer, or any successor in interest, in the event of any Default or breach by County or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Regulatory Agreement. Developer hereby waives and releases any claim it may have against any of the County and Successor Agency and County and Successor Agency Personnel with respect to any Default or breach by County or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Regulatory Agreement. Developer makes such release with full knowledge of Civil Code Section

1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Developer's Initials

[End – signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Regulatory Agreement as of the respective dates set forth below.

“County”

COUNTY OF SANTA CRUZ, a political subdivision
of the State of California

Date: _____

By: _____
Kathleen Molloy, Planning Director

“Developer”

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company

Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation

Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

[To be inserted]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

EXHIBIT B**MAP**

[See following page]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

EXHIBIT C
INCOME COMPUTATION AND CERTIFICATION FORM

(See following document)

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

COUNTY OF SANTA CRUZ

701 Ocean Street, Room 418, Santa Cruz, CA 95060

INCOME COMPUTATION AND CERTIFICATION FORM (Affordable Housing Eligibility for Renter Occupied Unit)

PART I. PROPERTY FINANCED WITH GOVERNMENT ASSISTANCE

Property Address: _____

PART II. TENANT HOUSEHOLD INFORMATION

		Date of Birth	Soc. Sec. #	Relationship

TOTAL NUMBER OF PERSONS IN HOUSEHOLD: _____ (Please list information on other household members below)

Mailing Address: _____ Telephone Numbers: Work(____)

Home (____) _____

PART III. GROSS HOUSEHOLD INCOME Complete the following, attach copies of required verification as specified below. Attach a note explaining any significant changes in household income between the previous year and the current year. INFORMATION IS REQUIRED FOR ALL MEMBERS OF THE HOUSEHOLD AGE 18 OR OLDER REGARDLESS OF WHETHER THEY CONTRIBUTE TO THE COSTS OF THE HOUSEHOLD. If you are not required to file a tax return, please indicate this in Part V by your signature.

	ANN INCOME	ANN INCOME	
INCOME SOURCES	for owner	others in hshld	VERIFICATIONS (needed for file)
A. Employment earnings			Last tax return & last 3 pay stubs, employer verification

B. Self-employment earnings			Last 2 tax returns & current financial stmt
C. Social Security (OASDI)			Annual award letter
D. Supplemental Security Income (SSI)			Annual award letter
E. Public assistance (AFDC, general assistance, unemployment, etc.)			Current benefit statement
F. Pension (s)			Annual award letter, year end stmt, W-2
G. Interest income			Last 2 statements for all accounts
H. Investment income (stocks, bonds, real estate, etc.)			Last 2 statements for all accounts
I. Room rental			Rental agreement, copies of checks, etc.
J. Other income (list type/source)			
K. TOTAL INCOME (sum of A thru J)			/ 12 months = _____ mo. income

PART IV. PROPERTY STATUS

Will this property be your primary residence? _____

Will someone other than the individuals listed above be occupying this property? _____

If yes – Name of occupants: _____

Telephone Number: _____ Mailing Address: _____

My/our housing expenses are as follows:

1. Monthly tenant rent _____

2. Average monthly utilities _____

PART V. TENANT CERTIFICATION

I/We understand that after the initial eligibility determination, completion of monitoring forms is required on an annual basis. I/We certify that I/we have disclosed all information pertaining to

my/our application and that the information presented in the foregoing Sections I through IV is true and accurate to the best of my (our) knowledge.

Tenant Date

Tenant Date

For more information regarding this application, please contact management staff at (760) _____.

FOR OFFICE USE ONLY

____ Information verified
 ____ Income category
 ____ Maximum allowable annual income (____ % of median)
 ____ Applicant's annual income _____ gross monthly _____ max housing costs

Comments: _____

Management Staff Date

EXHIBIT D
INCOME RECERTIFICATION FORM

(See following document)

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

COUNTY OF SANTA CRUZ
701 Ocean Street, Room 418 Santa Cruz, CA 95060

INCOME RECERTIFICATION FORM
(Renter Occupied Unit)

PART I. GENERAL INFORMATION

1. Property Owner Name _____
2. Renter Name _____
3. Property Address _____
County of Santa Cruz, CA _____ (Please include P.O. Box No. if applicable)
4. Has there been a change in ownership of this property during the preceding 12 month period?
Yes() No()

(If yes, please explain) _____

PART II. UNIT INFORMATION

5. Number of Bedrooms _____
6. Number of Occupants _____
Names: _____

PART III. AFFIDAVIT OF RENTER

I, _____, and I, _____, as renters of units assisted pursuant to the County of Santa Cruz ("County") Affordable Housing Program (the "Program"), do hereby represent and warrant that the following computation includes all income (I/we) **anticipate receiving for the 12-month period commencing on January 1, 20__** (including the renter(s) and all family members of the renters):

- (a) amount of wages, salaries, overtime pay, commissions, fees, tips and bonuses, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (before payroll deduction) _____
- (b) net income from business or profession or rental of property (without deduction for repayment of debts or expansion of business) _____
- (c) interest and dividends _____
- (d) periodic receipts such as social security, annuities, pensions, retirement funds, insurance policies, disability or death benefits, alimony, child support, regular contributions or gifts from persons not occupying unit _____
- (e) public assistance allowance or grant plus excess of maximum allowable for shelter or utilities over the actual allowance for such purposes _____

- (f) regular and special pay and allowances of a member of armed services (whether or not living in the dwelling) who is head of the family or spouse _____

Subtotal (a) through (f) _____

LESS: Portion of above items which are income of a family member who is less than 18 years old or a full-time student (_____)

TOTAL ELIGIBLE INCOME _____

NOTE: The following items are not considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payment such as inheritances, insurance payments, capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord and County to determine maximum income for eligibility and (I/we) warrant that all information set forth in this Part III is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 is reasonable and based upon such investigation as the undersigned deemed necessary.
3. (I/We) will assist the Landlord and County in obtaining any information or documents required to verify the statements made in this Part III and have **attached hereto a copy of our federal income tax return for the last year (20__)**.
4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable County to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

B. (My/Our) monthly housing expenses are limited to the following:

1. Base rent _____
2. Average Monthly Utilities _____
3. Other (explain) _____

(I/We) understand that completion of monitoring forms is required on an annual basis and agree to notify County in writing of any change in ownership or rental of the unit. (I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date _____ Renter(s) _____

EXHIBIT E
FORM OF CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE
(See following document)

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

The undersigned, being duly authorized to execute this certificate on behalf of _____, owner of the _____ Project, hereby represents and warrants that:

1. He/she has read and is thoroughly familiar with the provisions of the Affordable Housing Regulatory Agreement between County and _____.

2. As of June 30, 20__, the following number of residential units in the Project (i) are currently occupied by tenants qualifying as _____ Income Households at Affordable Rents; (ii) are currently occupied by tenants qualifying as _____ Income Households at Affordable Rents; (iii) are currently occupied by tenants qualifying as _____ Income Households at Affordable Rents; or (iv) are currently vacant and being held available for occupancy by Eligible Tenants and have been so held continuously since the date Eligible Tenants vacated such unit, as indicated:

- i. _____ Units occupied by _____ Income Households
- ii. _____ Units occupied by _____ Income Households
- iii. _____ Units occupied by _____ Income Households
- iv. _____ Units occupied by _____ Income Households
- v. _____ Units occupied by _____ Income Households
- vi. _____ vacant Units

3. The unit number, unit size, rental amount charged and collected, number of occupants, and the income of the occupants for each Affordable Unit in the Project are set forth on the attached list. All Affordable Units in the Project are rented at Affordable Rent.

DEVELOPER NAME

_____,
a California limited partnership

Dated: _____, 20__

By: _____

(Printed name and title)

ATTACHMENT NO. 11
NOTICE OF AFFORDABILITY RESTRICTIONS

(See following document)

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attn: Planning Director

Exempt From Recording Fee Pursuant to Government Code § 27383

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

Important notice to owners, purchasers, tenants, lenders, brokers, escrow and title companies, and other persons, regarding affordable housing restrictions on the real property described in this Notice:

Affordable housing restrictions have been recorded with respect to the property described below (referred to in this Notice as the “**Property**”) which require that the Property be developed as an affordable rental housing development and that all of the units be rented to and occupied by persons and households of limited income at affordable rents.

Title of Document Containing Affordable Housing Restrictions:
Affordable Housing Regulatory Agreement (“Agreement”).

Parties to Agreement: MP LIVE OAK ASSOCIATES, L.P., a California limited partnership (“**Developer**”), and the County of Santa Cruz, a political subdivision of the State of California (“**County**”).

The Agreement is recorded concurrently with this Notice, in the Official Records of Santa Cruz County.

Legal Description of Property: See Exhibit “A” attached hereto and incorporated herein by this reference.

Property Location: Located in the County of Santa Cruz.

Assessor’s Parcel Numbers of Property: _____.

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

Summary of Agreement:

- The Agreement requires Developer to develop a fifty-seven (57) unit rental Project on the Property, which property was sold to Developer by the Santa Cruz County Redevelopment Successor Agency;
- The Agreement restricts the rental of (i) ten (10) of the dwelling units to households whose incomes do not exceed thirty percent (30%) of the Santa Cruz County area median income, adjusted for household size; (ii) twelve (12) of the dwelling units to households whose incomes do not exceed forty percent (40%) of the Santa Cruz County area median income, adjusted for household size; (iii) sixteen (16) of the dwelling units to households whose incomes do not exceed fifty percent (50%) of the Santa Cruz County area median income, adjusted for household size; (iv) thirteen (13) of the dwelling units in the Project to households whose incomes do not exceed sixty percent (60%) of the Santa Cruz County area median income, adjusted for household size; and (v) five (5) of the dwelling units to households whose incomes do not exceed eighty percent (80%) of the Santa Cruz County area median income, adjusted for household size.
- The Regulatory Agreement restricts the rents that may be charged to such households to the maximum amount of rent, including a reasonable utility allowance, that does not exceed the rent permitted to be charged to the applicable household, as the case may be, determined pursuant to Health and Safety Code Section 50053(b).
- The term of the Agreement is in perpetuity.

This Notice does not contain a full description of the details of all of the terms and conditions of the Agreement. You will need to obtain and read the Agreement to fully understand the restrictions and requirements which apply to the Property.

This Notice is being recorded and filed in compliance with Health and Safety Code Section 33334.3(f)(3) and (4), and shall be indexed against Developer, the fee owner of the Property, and County.

[signature on next page]

“County”

COUNTY OF SANTA CRUZ, a political
subdivision of the State of California

By:

Date: _____, 201_

Kathleen Molloy, Planning Director

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT “A”
LEGAL DESCRIPTION OF PROPERTY

[To be inserted]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

ATTACHMENT NO. 12
RELEASE OF CONSTRUCTION COVENANTS

(See following document)

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attention: Planning Director

(Space Above for Recorder's Use)
Exempt from Recordation Fee per Gov. Code
§ 27383

RELEASE OF CONSTRUCTION COVENANTS

This RELEASE OF CONSTRUCTION COVENANTS ("Release") is made this ____ day of _____, by the **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California ("County"), in favor of **MP LIVE OAK ASSOCIATES, L.P.**, a California limited partnership ("Developer").

R E C I T A L S

A. Developer owns fee title to that certain real property located in the County of Santa Cruz, State of California, more particularly described in the legal description attached hereto as Exhibit "A" ("Property").

B. On or about January __, 2030, the Santa Cruz County Redevelopment Successor Agency (the "Successor Agency") and Developer entered into that certain Affordable Housing and Property Disposition Agreement ("Agreement") which provides for Developer to develop on the Property a fifty-six (56) unit rental affordable housing development, as more particularly described therein as the "Project." The Successor Agency has assigned to County, and County has assumed from Successor Agency, all of Successor Agency's rights and obligations in and to the Agreement.

C. Pursuant to the Agreement, County is required to furnish Developer with this Release upon request by Developer after completion of construction of the Project.

D. The issuance by County of this Release shall be conclusive evidence that Developer has complied with the terms of the Agreement pertaining to the construction of the Project.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the parties hereto agree as follows:

1. As provided in the Agreement, County does hereby certify that the construction of the Project has been satisfactorily performed and completed, and that such development and construction work complies with the Agreement.

2. This Release does not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage security money loaned to finance the work of construction of improvements and development of the Property, or any part of thereof.

3. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

4. This Release does not terminate any other agreement or document executed by Developer in connection with the Agreement, including, without limitation, that certain Affordable Housing Regulatory Agreement recorded on _____, as Instrument No. _____, in the Official Records of the County of Santa Cruz (the "Official Records"), and that certain Deed of Trust recorded on _____, as Instrument No. _____, in the Official Records, all of which shall survive recordation of this Release.

IN WITNESS WHEREOF, County has executed this Release as of the date set forth above.

COUNTY OF SANTA CRUZ, a political
subdivision of the State of California

By: _____
Kathleen Molloy, Planning Director

Date: _____

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the w(pagithin instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[To be inserted]

Attachment: Affordable Housing and Property Disposition Agreement (7977 : Disposition of 17th & Capitola)

TABLE OF CONTENTS

	<u>Page</u>
1. DEFINITIONS	3
2. STRUCTURE OF TRANSACTION AND RELATIONSHIP OF PARTIES	12
2.1 Limited Third Party Rights	12
2.2 Early Closing; Partial Termination of Agreement	13
2.3 Execution of Agreements with Clinics at Close of Escrow	16
3. SCHEDULE OF PERFORMANCE	16
4. LAND USE ENTITLEMENTS	17
5. DUE DILIGENCE PERIOD; PERMISSION TO ENTER PROPERTY; AS-IS; PHYSICAL AND ENVIRONMENTAL CONDITION	18
5.1 Due Diligence Period	18
5.2 "AS-IS"	19
5.3 Developer Indemnity	20
5.4 Duty to Prevent Hazardous Material Contamination	20
5.5 Obligation to Remediate Premises	21
5.6 Environmental Inquiries	21
5.7 Materiality	22
5.8 Review of Title of Site	22
6. FINANCING PLAN FOR THE PROJECT	23
6.1 Financing Plan	23
6.2 County Loan	24
6.3 Applications to CDLAC and TCAC	25
6.4 Project Budget	26
6.5 Developer Submittals	26
6.6 Financing Commitments	26
6.7 Developer Fee	26
7. DISPOSITION OF PROPERTY	27
7.1 Agreement	27
7.2 Conditions for Successor Agency's Benefit	27
7.3 Conditions for Developer's Benefit	30
7.4 Developer Right to Terminate	31
7.5	31
7.6 Waiver of Conditions	32
8. PROPERTY CLOSING; ESCROW EXPENSES	32
8.1 Close of Escrow	32
8.2 Expenses of Developer	33
8.3 Instruction to Escrow Holder Regarding Waiver of Transfer Taxes and Recording Fees	33

	<u>Page</u>
8.4 Broker's Commissions	33
9. OTHER ESCROW INSTRUCTIONS	33
9.1 Funds in Escrow	33
9.2 Failure to Close	33
9.3 Amendments	34
9.4 Notices	34
9.5 Liability	34
10. DEVELOPMENT OF THE PROJECT	34
10.1 Scope of Development	34
10.2 Additional Governmental Permits and Approvals	34
10.3 Review and Approval of Plans, Drawings, and Related Documents	35
10.4 Cost of Development	35
10.5 Indemnity	35
10.6 Insurance Requirements	36
10.7 Developer's Continuing Indemnification Obligations.....	39
10.8 Remedies for Defaults Re: Insurance.....	39
10.9 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance	39
10.10 Rights of Access.....	40
10.11 Compliance with Laws; Compliance with Prevailing Wage Laws	40
10.12 Anti-Discrimination.....	42
10.13 Taxes and Assessments	42
10.14 Right of Successor Agency to Satisfy Other Liens on the Property(s).....	42
10.15 Non-liability of Successor Agency	42
10.16 Release of Construction Covenants	43
11. AFFORDABILITY COVENANTS	44
12. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS.....	44
12.1 Developer's Formation, Qualification and Compliance	44
12.2 Litigation	44
12.3 Successor Agency.....	44
13. DEFAULTS AND REMEDIES.....	45
13.1 Event of Default.....	45
13.2 No Waiver.....	45
13.3 Rights and Remedies are Cumulative	45
13.4 Attorneys' Fees	45
13.5 Reimbursement of Successor Agency.....	46
14. NOTICES	46

	<u>Page</u>
15. ASSIGNMENT	47
15.1 Generally Prohibited	47
15.2 Release of Developer	48
15.3 Assignment of Agreement by Successor Agency to County.....	48
16. ADMINISTRATION	48
17. MISCELLANEOUS	49
17.1 Counterparts.....	49
17.2 Prior Agreements; Amendments	49
17.3 Governing Law	49
17.4 Acceptance of Service of Process	49
17.5 Severability of Provisions	49
17.6 Interpretation	49
17.7 Accounting Principles	50
17.8 Attachments Incorporated	50
17.9 Time of the Essence.....	50
17.10 Warranty Against Payment of Consideration.....	50
17.11 Non-liability of Successor Agency or County Officials and Employees.....	50
17.12 Force Majeure	50
17.13 Developer Covenant to Defend this Agreement	51
17.14 Nondiscrimination Covenants.....	51
17.15 Consents and Approvals	53
17.16 Third Party Beneficiary	53
17.17 Termination	53

List of Attachments:

- 1 - Legal Description of Capitola Property
- 2 - Proposed Subdivisions
- 3 - Schedule of Performance
- 4 - Scope of Development
- 5 - Form of Grant Deed
- 6 - Form of Assignment of Plans and Contract
- 7 - Form of County Note
- 8 - Form of County Deed of Trust
- 9 - Project Budget
- 10 - Form of County Regulatory Agreement
- 11 - Form of Notice of Affordability
- 12 - Form of Release of Construction Covenants



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Planning: Permit Centers

(831) 454-2580

Subject: Public hearing for the Capitola Road Mixed-Use Project -
Application 181579

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Conduct a public hearing on Application 181579 (MidPen Housing), for a mixed-use development consisting of a two-story medical/dental office with a retail store and a housing complex containing 57 affordable units, and requiring a Vesting Tentative Map, Commercial Development Permit, Zoning Map Amendment, Planned Unit Development, Sign Exception and Design Review, located on the south side of Capitola Road (1412, 1438, 1500, and 1514 Capitola Road) between Leila Court and 17th Avenue;
- 2) Certify that the proposal qualifies for a Statutory Exemption from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code (PRC) section 21159.25;
- 3) Adopt the attached Ordinance granting a Planned Unit Development as allowed by Santa Cruz County Code Chapter 18.10 relating to establishment of development standards for APN 029-171-05;
- 4) Adopt the attached Ordinance rezoning a portion of APNs 026-741-12,-13,-14 and -15 to add the Regional Housing Need ("R" Combining) zone district to the existing Neighborhood Commercial zone district (C-1 to C-1-R), and
- 5) Approve Application Number 181579, based on the findings and conditions set out in the attached staff report as recommended by the Planning Commission of August 28, 2019.

Executive Summary

Application 181579 is a proposal to adjust four parcels of 0.97 acres, 0.97 acres, 1.04 acres and 0.67 acres to three parcels (two commercial condominium lots within a 1.24-acre common area and a 2.36-acre parcel) and a street dedication of 0.05 acres and to construct a mixed-use development consisting of: 1) a two-story, 11,048 square foot dental office (Dientes) and a two-story, 19,297 square foot medical clinic (Santa Cruz Community Health Center), connected by a shared access tower; 2) four three-story residential buildings totaling 61,275 square feet containing 56 affordable residential apartments, a manager's apartment and a community center; 3) a 338 square foot maintenance shed; 4) a public park/plaza; 5) a private residential open space; 6) a private community garden, 7) shared parking, and 8) three business identification signs

and two residential monument signs with a combined area of 200 square feet. The project site is located in the C-1 (Neighborhood Commercial) district. As proposed, the project requires the approval of a Vesting Tentative Map; a Commercial Development Permit; a Planned Unit Development; a Sign Exception and Design Review. For the 2.36-acre residential portion of the project, the application also includes a Zoning Map Amendment to add the Regional Housing Need ("R" Combining) district to the existing C-1 zoning, and a request for a 20% Residential Density Bonus.

A mixed-use development containing over 20,000 square feet of floor area and/or containing more than 20 residential units, a Zoning Map Amendment and a Planned Unit Development (PUD) all require approval by the Board of Supervisors following a recommendation by the Planning Commission. The project site consists of four existing legal parcels, APNs 026-741-12, 13, 14 and 15, with a combined area of 3.65 acres, located on the south side of Capitola Road opposite the point where 15th and 16th Avenues meet Capitola Road and between Leila Court and 17th Avenue (1412, 1438, 1500 and 1514 Capitola Road) in Live Oak.

Background

Application 181579, which was submitted to the Planning Department on August 6, 2018, was presented to the Planning Commission at a public hearing held on August 28, 2019. At that hearing, following consideration of the information presented and public testimony, the Commission voted unanimously to recommend that the Board of Supervisors approve Application 181579, subject to the following direction:

- 1) Add additional Findings for the Zoning Map Amendment, to show that the proposed rezoning complies with General Plan Policies 2.1.4 (Siting of New Development), 2.2.1 (Public Facility Standards for New Development) and 2.2.2 (Public Infrastructure [Facility and Service] Standards for General Plan and Local Coastal Program Amendments), and
- 2) Revise the Conditions of Approval of the project to:
 - a) Delete the restriction from the western driveway, prohibiting left turns between 4 pm and 6 pm;
 - b) Revise the language of condition III.R.5. to require details of an interpretive historical installation (which could be instead of or in addition to a mural) honoring the history of the site and honoring Robert Merriman. This installation shall include references to his role as Commander of the Abraham Lincoln Brigade, the historical importance of the Abraham Lincoln Brigade fighting fascism in Spain, and reference to Merriman as inspiration for the character Robert Jordan in Hemmingway's "For Whom the Bell Tolls". The design of the installation shall be approved by the Historical Resources Commission, and
 - c) Add a condition of approval that the proposed Community Garden adjacent to the western property boundary shall be fenced, and that proposed tree planting in the area surrounding the Community Garden shall be designed so as to ensure maximum possible sun exposure to the proposed planting beds.

The Commission also recommended certification of a Statutory Exemption from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code (PRC) section 21159.25 (Attachment D).

All required findings can be made to approve the proposed Vesting Tentative Map, Commercial Development Permit, Zoning Map Amendment, Planned Unit Development, Sign Exception and Design Review to allow for the development of a mixed-use project consisting of a two-story commercial building with a central public plaza adjacent to Capitola Road, behind which would be four three-story multi-family residential buildings surrounding a private open space.

Rezoning: While the project, as proposed, is consistent with the existing zoning, at the request of the County, the 2.36-acre residential portion of the project site is proposed to be rezoned to add the Regional Housing Need ("R"-Combining) designation to the existing C-1 zone district. The purpose of adding the "R" designation is to most accurately reflect the resulting residential-only use parcel within the mixed-use development. The approval of a 20% Residential Affordable Density Bonus ensures that the 57 residential units will be consistent with the density standards of the "R"-Combining district.

In conjunction with the proposed rezoning, as required by County Code 13.10.170, the project also requires the approval of a Planned Unit Development (PUD) for the residential parcel. In addition, a Master Plan is required for the entire development which includes both the commercial and residential components of the project. The Master Plan includes the following:

Commercial Development: The proposed commercial development fronting Capitola Road includes a two-story building that is separated into two distinct habitable spaces, connected by a non-habitable shared access tower and walkways. The eastern wing of the building includes a medical clinic with office spaces that would be owned and operated by Santa Cruz Community Health Centers (SCCHC) and a ground-floor community serving retail space that is currently envisioned to be a pharmacy. The western wing of the building would be a dental clinic with administrative spaces that would be owned and operated by Dientes Community Dental (Dientes). Between the two sections of the commercial building and fronting onto Capitola Road, a large public plaza is proposed that includes a sunken green space, seating, sculptures and an interpretive historical installation honoring Robert Merriman and the history of the site. This publicly accessible plaza, which is designed for neighborhood gatherings, will be maintained jointly by the three development partners. Adjacent to the western property boundary, there would be a landscaped green space with a pedestrian pathway connecting the proposed apartments to Capitola Road and to the bus stop. This area would also contain a private community garden for use by the residential tenants.

As designed and landscaped, the proposed commercial development would be visually compatible and integrated with the character of existing commercial development along Capitola Road and 17th Avenue.

Affordable Housing Community: The residential portion of the development would be

owned and operated by an affiliate of MidPen Housing Corporation. The housing community is proposed to include 56 affordable apartment homes, a manager's unit and community facilities for use by tenants. Specifically, community facilities include a community room with a kitchen and computers, a learning center for the provision of children's afterschool services, a laundry room, a restroom, a property management office and a secure bicycle storage room. The residential buildings are proposed to be constructed around a landscaped central green space that will contain two separate barbecue areas with picnic tables, other seating and a children's playground. The three-story buildings that constitute the residential portion of the project would be away from the public street and not significantly visible from Capitola Road. As designed and laid out, all of the proposed structures would be located within a landscaped setting that includes parking, circulation, open space and a community garden.

Analysis

The staff report prepared for the Planning Commission hearing of August 28, 2019, provides extensive and detailed discussions about the proposed project, including further background information and a complete analysis of the proposal. This report has been updated to include revised Exhibit F (Findings) and Exhibit G (Conditions of Approval) in accordance with the direction of the Planning Commission (Attachment E). The updated staff report package also includes updated Exhibits B and C (Ordinances - also attached separately as Attachments B and C) to reflect minor revisions as required by County Counsel, and a revised Exhibit D (updated Tentative Map at pages 67 and 68). The original staff report and exhibits as presented to the Planning Commission on August 28, 2018, is also available as an attached web link (Attachment H).

As proposed and conditioned, the project is consistent with all applicable codes and policies of the Zoning Ordinance and General Plan. Planning Commission Resolution No. 2019-08, recommending approval of Application 181579 is attached (Attachment A).

Additional correspondence (8 letters/E-mails, 5 expressing support for the project and 3 with questions or concerns) that was received by the Planning Department after the agenda for the August 28, 2019, Planning Commission hearing was published, is attached separately (Attachment G).

Environmental Review

The proposed affordable mixed-use project qualifies for a statutory exemption under the provisions of Section 21159.25 of the Public Resources Code. PRC Section 21159.25 provides that requirements of the California Environmental Quality Act (CEQA) do not apply to residential or mixed-use projects that meet certain conditions. The proposed mixed-use development qualifies for a statutory exemption, in that the project is proposed on legal parcels that are located in an unincorporated area of Santa Cruz County, within an urbanized area and substantially surrounded by qualified urban uses. The site is adequately served by all required utilities and public services and does not have value as habitat for endangered, rare, or threatened species. Furthermore, the proposed project is consistent with all applicable policies of the General Plan and the zoning designation, in that the residential portion of the project would consist of a multi-family housing development containing 57 units, that conforms to required minimum density criteria based on the total area of the development site. In addition, approval of

the project would not result in any significant effects relating to transportation, noise, air quality, greenhouse gas emissions, or water quality. None of the disqualifying criteria that would preclude the use of the exemption apply to the project.

Strategic Plan Element(s)

The proposed development of a mixed-use development that includes medical and dental offices, together with affordable housing and community gathering space will further plan goals of comprehensive health and safety, attainable housing, dynamic economy and sustainable environment.

Submitted by:

Kathleen Molloy, Planning Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Ordinance - Zoning Map Amendment for a portion of APNs 026-741-12, 13, 14 & 15
- b Ordinance - Approving a PUD for a portion of APNs 026-741-12, 13, 14 & 15
- c Statutory Exemption from CEQA pursuant to PRC 21159.25
- d Planning Commission Resolution 2019-08
- e Planning Commission August 28, 2019 - Minutes
- f Additional correspondence received for August 28, 2019 Planning Commission hearing
- g Original Planning Commission August 28, 2019 Staff Report and Exhibits (web link)
- h Planning Commission Staff Report with revised-corrected exhibits (420 pages)
- i Correspondence submitted on October 22, 2019, by Bert Whelan on behalf of Leila Court neighbors

ORDINANCE NO. _____

**ORDINANCE AMENDING CHAPTER 13.10 OF THE SANTA CRUZ COUNTY CODE
TO ADD THE REGIONAL HOUSING NEED (“R” COMBINING) DESIGNATION TO A
PORTION OF APNS 026-741-12, 13, 14 & 15, AS SHOWN ON
“REZONING – EXHIBIT 1”**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

The Board of Supervisors finds that the public convenience, necessity and general welfare require the amendment of the County Zoning Map to implement the policies of the County General Plan regarding the property listed in Section III of this ordinance; finds that adding the “R” Combining district is consistent with all elements of the Santa Cruz County General Plan; and affirms that the proposal is exempt from further Environmental Review under the California Environmental Quality Act, pursuant to Public Resources Code (PRC) section 21159.25.

SECTION II

The Board of Supervisors hereby adopts the recommendations of the Planning Commission for the Zoning Map Amendment as described in Section III, and adopts findings in support thereof as set forth below pursuant to Santa Cruz County Code 13.10.215(D):

1. The proposed zone district will allow a density of development and types of uses which is consistent with the objectives and land use designations of the adopted General Plan; and
2. The proposed zone district is appropriate for the level of utilities and community services available to the land; and
3. The proposed rezoning is necessary to provide for a community-related use which was not anticipated when the Zoning Plan was adopted.

SECTION III

The Santa Cruz County Zoning Map is hereby amended to change the following property from the existing zone district to the new zone district as follows:

The southern portion of APNs 026, 741-12, 13, 14 and 15 shall be rezoned to add the Regional Housing Need (“R”- Combining) designation (C-1 to C-1-R), as shown on the attached plan “Rezoning – Exhibit 1”.

SECTION IV

This ordinance shall become effective 31 days after adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz this _____ day of _____ 2019, by the following vote:

AYES: SUPERVISORS
 NOES: SUPERVISORS
 ABSENT: SUPERVISORS
 ABSTAIN: SUPERVISORS

 CHAIRPERSON, BOARD OF SUPERVISORS

ATTEST: _____
 Clerk of the Board

APPROVED AS TO FORM: _____

C.A. County Counsel

Jm Heats 10/17/19

Exhibit: Zoning Map Amendment

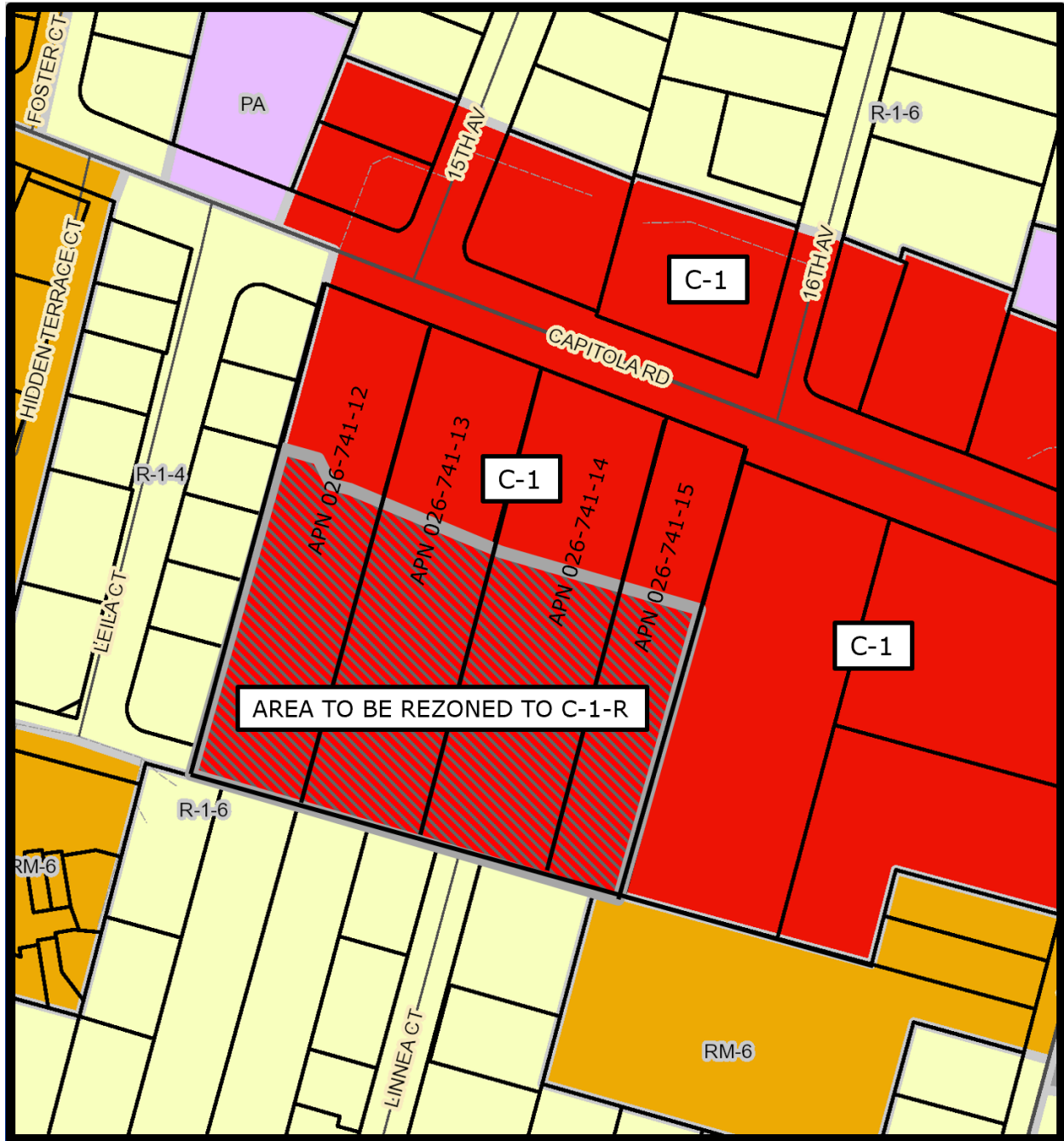
DISTRIBUTION: County Counsel
 Planning-Lezanne Jeffs
 Assessor
 County GIS

EXHIBIT B

REZONING – EXHIBIT 1

Zoning Map Amendment

Portion of APNs 026-741-12, 13, 14 and 15 to be rezoned to add the
Regional Housing Need (“R” Combining) designation



Application #: 181579
 APNs: 026-741-12, 13, 14 & 15
 Owner: County of Santa Cruz

ORDINANCE NO. _____

**ORDINANCE APPROVING A PLANNED UNIT DEVELOPMENT AS ALLOWED BY
 SANTA CRUZ COUNTY CODE RELATING TO ESTABLISHMENT OF
 DEVELOPMENT STANDARDS FOR A PORTION OF APNS: 026-741-12, 13, 14 & 15**

The Board of Supervisors of the County of Santa Cruz ordains as follows:

SECTION I

A Planned Unit Development is hereby approved for a portion of the property located on the south side of Capitola Road (1412, 1438, 1500 and 1514 Capitola Road) opposite the point where 15th and 16th Avenues meet Capitola Road and between Leila Court and 17th Avenue, in the Live Oak Planning Area, and shown on “PUD - Exhibit 1” attached hereto and subject to the conditions shown on “PUD - Exhibit 2”, attached hereto.

SECTION II

The Board of Supervisors hereby adopts the recommendations of the Planning Commission for the Planned Unit Development as described in Section I, and adopts the following findings in support thereof:

1. That any residential development shall contribute to the ongoing desirability and character of the surrounding neighborhood;
2. That the combination of different dwelling and/or structure types and the variety of land uses in the development will complement each other and will harmonize with existing and proposed land uses, structures, and the natural environment in the vicinity;
3. That the permitted departures from the otherwise required development standards will provide specific benefits to the neighborhood and/or the community in which the planned unit development is located, and that such benefits are specified by the Board of Supervisors in connection with its approval of a planned unit development, and that any conditions required to achieve such benefits are incorporated into the project and made conditions of approval; and
4. That the proposed development is consistent with the General Plan/Local Coastal Program Land Use Plan.

SECTION III

The Board of Supervisors hereby adopts the recommendations of the Planning Commission for the Development Permit associated with the Planned Unit Development as described in Section I, and adopts findings in support thereof as set forth below:

1. That the proposed location of the project and the conditions under which it would be operated or maintained will not be detrimental to the health, safety, or welfare of persons residing or working in the neighborhood or the general public and will not result in inefficient or wasteful use of energy and will not be materially injurious to properties or improvements in the vicinity;

EXHIBIT C

Application #: 181579
 APNs: 026-741-12, 13, 14 & 15
 Owner: County of Santa Cruz

2. That the proposed location of the project and the conditions under which it would be operated or maintained will be consistent with all pertinent County ordinances and the purpose of the zone district in which the site is located;
3. That the proposed use is consistent with all elements of the County General Plan and with any Specific Plan which has been adopted for the area;
4. That the proposed use will not overload utilities and will not generate more than the acceptable level of traffic on the streets in the vicinity;
5. That the proposed project will complement and harmonize with the existing and proposed land uses in the vicinity and will be compatible with the physical design aspects, land use intensities, and dwelling unit densities of the neighborhood; and
6. The proposed development project is consistent with the Design Standards and Guidelines (sections 13.11.070 through 13.11.076), and any other applicable requirements of SCCC Chapter 13.11.

SECTION IV

This ordinance shall become effective 31 days after adoption.

PASSED AND ADOPTED this _____ day of _____ 2019 by the Board of Supervisors of the County of Santa Cruz by the following vote:

AYES: SUPERVISORS
 NOES: SUPERVISORS
 ABSENT: SUPERVISORS
 ABSTAIN: SUPERVISORS

 Chair of the Board of Supervisors

Attest: _____
 Clerk of the Board

APPROVED AS TO FORM:

 10/17/19

 Office of the County Counsel

EXHIBIT C

Application #: 181579
 APNs: 026-741-12, 13, 14 & 15
 Owner: County of Santa Cruz

PUD - EXHIBIT 1

Planned Unit Development

Property located on the south side of Capitola Road (1412, 1438, 1500 and 1514 Capitola Road) opposite the point where 15th and 16th Avenues meet Capitola Road and between Leila Court and 17th Avenue, in the Live Oak Planning Area.

APNs 026-741-12, 13, 14 & 15 (portion)

This site contains a total area of 2.36 acres of useable (developable) land. Development of this site for 56 affordable multi-family dwelling units and a manager's unit with associated community facilities, private open-space, parking and landscaping, shall be maintained in accordance with this Planned Unit Development (PUD) and the Master Plan approved by Permit 181579 (Exhibit D), including the conditions of approval thereof.

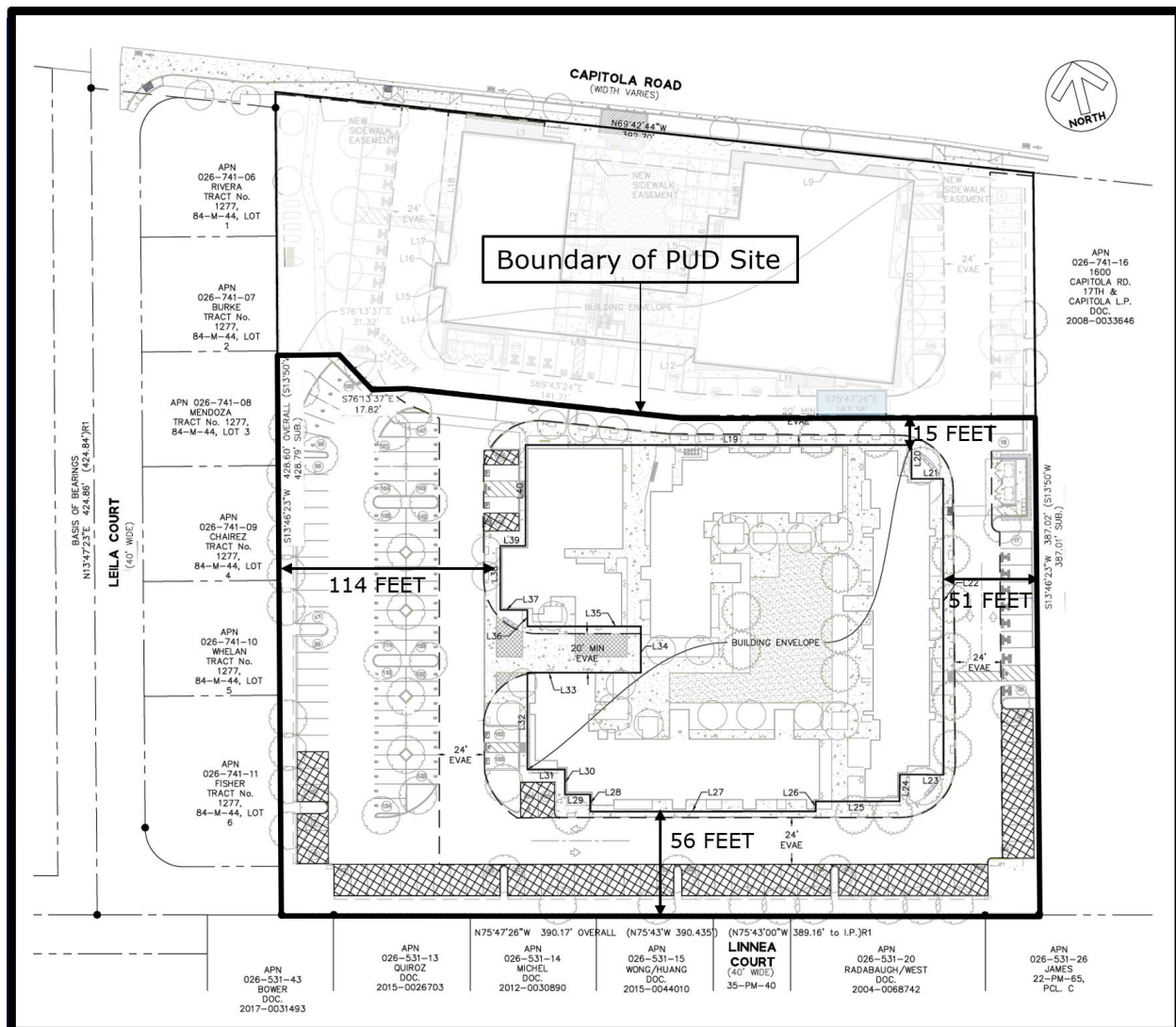


EXHIBIT C

Packet Pg. 409

Application #: 181579
 APNs: 026-741-12, 13, 14 & 15
 Owner: County of Santa Cruz

PUD - EXHIBIT 2

Planned Unit Development

181579 (EXHIBIT D) - Vesting Tentative Map – 2 sheets prepared by BKF Engineers, dated 7/9/2019; Architectural, Engineering and Landscape plans – 36 sheets: 25 prepared by Wald, Ruhnke & Dost (WR&D), 11 dated 7/26/19 and 14 dated 5/10/19; 6 sheets prepared by WR&D and BKF Engineers, dated 5/10/19; and 5 sheets prepared by WR&D and Joni L. Janecki & Associates, dated 5/10/19

- A. The PUD Site as shown on “PUD - Exhibit A”, shall conform to Lot 2, as shown on the approved Tentative Map for 181579 (Exhibit D).
- B. All proposed structures on the PUD Site shall conform to the Architectural Floor Plans and Elevations, and the Perspective Drawings as stated or depicted on sheets A205, A206, A207, A211, A212, A230, A401, A402 and A412 in the approved plans for Permit 181579 (Exhibit D).
 1. No revision to any structure shall be permitted that would result in an intensification of use of the development (additional bedrooms) or that would reduce the availability of on-site parking for the 57 units.
- C. All other improvements on the PUD Site shall substantially conform to the Master Plan for the entire development, as depicted on the approved plans for Permit 181579 (Exhibit D) and shall be maintained in compliance with all conditions of approval of that Permit.
- D. **Density.** A total maximum of 57 residential units, comprised of 56 rental apartments and a manager’s unit, are allowed on the 2.36-acre PUD Site. This represents a density of 24 dwelling units per acre, as allowed within the “R”- Combining (Regional Housing Need) zone district subject to a 20% density bonus as approved by Permit 181579.
- E. **Affordable Housing.** Development on the PUD site is required to provide a minimum of one hundred percent (100%) of the total number of rental units as affordable to low or very low-income tenants.
 1. Prior to Building Permit issuance or prior to filing of the Parcel Map, the developer shall enter into a Regulatory Agreement with the County of Santa Cruz to meet the Affordable Housing Requirements.
- F. **Community Facilities.** In association with the residential use, community facilities shall be provided for tenants to include a community room with a kitchen and computers, a learning center for the provision of children’s afterschool services, a laundry room, a restroom, a property management office and a secure bicycle storage room. The central, shared open space shall be attractively landscaped and shall contain two separate barbecue areas with picnic tables, other seating and a children’s playground.

- G. **Development Standards.** The following development standards shall be met for the proposed residential development on the PUD Site:

Number of Stories. A maximum of three (3) stories as defined by the County Code are allowed for residential structures. A maximum of one (1) story is allowed for the maintenance building.

Height. Height of three-story structures may be up to 35 feet, measured from pre-construction natural grade. Height of the maintenance shed shall be up to 13 feet 6 inches, measured from pre-construction natural grade.

Lot Coverage and Floor Area Ratio. Lot Coverage Site Standards and Floor Area Ratio Site Standards specified in County Code Section 13.10.323 (b) do not apply.

Residential Building Setbacks. The following setbacks are established from the perimeter of the PUD Site, as shown on PUD - Exhibit 1, to the residential structures (dwelling units and community facilities building) in aggregate, and are as follows:

North property line	Minimum 15 feet
East property line	Minimum 51 feet
West property line	Minimum 114 feet
South property line	Minimum 56 feet

Maintenance Shed Setbacks. The following reduced setbacks are established from the perimeter of the PUD Site, as shown on PUD - Exhibit 1, to the maintenance shed as follows:

East property line	Minimum 5 feet
South property line	Minimum 5 feet

Minimum Separation. A minimum separation of 10 feet, exclusive of eaves and open, unenclosed staircases, is required between any of the individual residential structures.

- H. **Requirements for Structures.** All architectural detailing and exterior finish colors and materials shall be consistent with the overall development as approved by Permit 181579. Exterior materials are limited to horizontal or vertical fiber-cement lap siding, wood trim, and roofing shingles. All colors shall be muted grey or earth-toned shades with a dark grey/brown or white trim (or similar), red/brown doors and grey-brown roof shingles (color cool barkwood or similar).
- I. **Open Space.** Public (shared) and private open space for the proposed residential development shall be in accordance with the provisions of County Code section 13.10.323(F), as shown on sheets A205-A207 of Permit 181579 (Exhibit D). Garden sheds or other similar structures are not allowed in the shared open space and no portion of that area shall be subsequently fenced or otherwise divided off for individual private use.

Application #: 181579
 APNs: 026-741-12, 13, 14 & 15
 Owner: County of Santa Cruz

- J. **Landscaping.** All open space and access, circulation and parking areas shall be landscaped in accordance with Permit 181579 (Exhibit D) as required by County Code section 13.11.074, as applicable, and section 13.11.075, except that the 5-foot wide landscaping strip at the eastern property line, adjacent to the undeveloped portion of APN 026-741-16, may be reduced to 3 feet.
- K. **Mature Trees.** In accordance with the recommendations of the Arborist Report, dated July 22, 2018 and email dated February 15, 2019, prepared by Nigel Belton, Consulting Arborist, all trees shown to be retained, as shown on sheets TPZ1.00 and TPZ1.01, Permit 181579 (Exhibit D), shall be preserved. Wherever possible, additional mature trees not indicated on the plans, of 6 inches or greater in diameter at breast height, shall also be retained.
- L. **Fencing.** Perimeter fencing between the PUD site and adjacent parcels shall be a double-sided wood fence topped with a trellis. The maximum height of the fence shall be 8 feet (trellis may extend an additional 6 inches). Where fencing is to be mounted on a CMU retaining wall in the southeastern corner of the development the maximum height of the fence/trellis shall be 6 feet 6 inches measured from the top of the wall. The maximum combined height of the fence/trellis/CMU wall shall be 10 feet. All fencing/walls shall be maintained in good condition.
- M. **Circulation and Parking.** The standards for off-street parking facilities as outlined in County Code Section 13.10.554 shall apply.

Circulation Requirements. All interior driveways shall comply with the requirements of the Central Fire Protection District and shall, at a minimum, be 20 feet in width for two-way circulation. A minimum 50-foot centerline radius on all access routes is required.

Entrances. A minimum of two entrances to the property shall be provided from Capitola Road. These entrances shall meet all standards as set out in the Department of Public Works Design Criteria. In accordance with the Master Plan approved by Permit 181579, a potential third driveway may be provided to link the PUD Site and the associated commercial parcel with any future development on APNs 026-741-16 and 17 (currently in the same ownership), and also to 17th Avenue.

Parking. Parking for the development shall be provided in accordance with the Shared Parking Analysis prepared by Jeff Waller Consulting, dated May 8, 2019, and shall include a minimum 190 spaces within the overall Master Plan area as approved by Permit 181579 (Exhibit D). Additional requirements are set out below:

1. A minimum of one parking space (57 spaces) shall be assigned for the exclusive use of the residential development, one space for each unit. All other parking shall be on a first-come basis within the parking areas shared with the adjacent commercial parcel.

Application #: 181579
 APNs: 026-741-12, 13, 14 & 15
 Owner: County of Santa Cruz

2. Additional parking restrictions, as outlined in the Shared Parking Analysis, may be added to some parking spaces within the shared parking area, to denote “resident parking only” outside of the main retail and clinic hours (between 6:00 p.m. and 7:00 a.m. of the following day). If such additional restrictions are applied, restricted parking spaces shall be signed to alert drivers of the restriction prior to parking.
3. The on-site property manager is required to monitor residential parking demand and to work with the adjacent commercial property owners within the Master Plan area, to ensure that parking will be available for both residential and commercial users and to resolve any conflicts as may occur.
4. A potential future reduction in the total number of parking spaces to accommodate a future driveway linking the Master Plan area to APN 026-471-16 is allowed.
5. No inoperable vehicles or other objects, including trailers, boats etc. shall be stored in any shared or individually assigned parking space.

Bicycle Storage. A minimum of 1.2 lockable spaces shall be provided for bicycle storage for each dwelling unit (minimum 69 spaces). This lockable storage area may be in a communal facility associated with the residential community facilities. In addition, a minimum of 10 outdoor bicycle storage spaces/racks shall be provided.

- N. **Accessibility.** The development must meet accessibility requirements of Title 24 of the Building Code or successor code in effect at the time the Building Permit application is submitted. Accessible parking shall be provided consistent with California State Law. This applies to the design and location of parking spaces, number of accessible spaces provided, and accessible path of travel through the development and to the public right-of-way.
- O. **Signs.** Two 16-square foot monument signs are permitted for the proposed residential development, one adjacent to Capitola Road toward the western driveway entrance and one located adjacent to the community building at the housing complex, as approved by Permit 181579 (Exhibit D), sheet A960.
- P. **Maintenance.** Maintenance of the residential development and of all shared improvements within the development as a whole including, sidewalks, roadways, parking areas, all landscaping, drainage structures, water lines, sewer laterals, fences, silt and grease traps and common buildings shall be governed in accordance with recorded Common Interest Ownership agreements between all property owners within the Master Plan area.
- Q. **Minor Variations.** Minor revisions to this PUD, that do not affect the overall concept or density may be administratively approved by the Planning Director at the request of the applicant or staff, as a Level III Permit.

Application #: 181579
APNs: 026-741-12, 13, 14 & 15
Owner: County of Santa Cruz

- R. **Amendment.** Proposed changes that do not comply with the provisions set out in section Q. (above) shall be subject to review and approval by the Board of Supervisors pursuant to an Amendment to the Planned Unit Development (Level VII).
- S. All other conditions of approval of Permit 181579, if not specifically called out herein, are by reference included as part of this Planned Unit Development.

Application #: 181579
 APN: 026-741-12, 13, 14 & 15
 Owner: Santa Cruz County

CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION

The Santa Cruz County Planning Department has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Public Resources Code, Section 21159.25, relating to environmental quality (AB 1804), for the reason(s) which have been specified in this document.

Application Number: 181579
 Assessor Parcel Number: 026-741-12, 13, 14 & 15
 Project Location: 1412, 1438, 1500 & 1514 Capitola Road, Santa Cruz

Project Description: Construct a mixed-use development consisting of a two-story commercial building and four three-story residential buildings containing 56 affordable residential apartments, a manager's unit and a community center.

Person or Agency Proposing Project: MidPen Housing

Contact Phone Number: (831) 707-2134

- A. ☐ The proposed activity is not a project under CEQA Guidelines Section 15378.
 B. ☐ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).
 C. ☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.
 D. ☒ **Statutory Exemption** other than a Ministerial Project - Exemption for Multi-Family and Mixed-Use Housing Projects (Public Resources Code, Section 21159.25, relating to environmental quality [AB 1804]).
 E. ☐ **Categorical Exemption**

F. Reasons why the project is exempt:

Construction of a mixed-use housing project on a less than 5-acres site located within an unincorporated area of Santa Cruz County that is substantially surrounded by qualified urban uses and where all public utilities are available. The project is consistent with the current General Plan and the applicable zoning designation and regulations and will consist of a mix of multi-family and commercial uses where at least two-thirds of the square footage of the development will be designated for residential use and where the density of the project will exceed the average density of adjoining residential properties. No significant effects relating to traffic, noise, air quality, greenhouse gas emissions would result from project implementation and the project site has no value as habitat for endangered, rare or threatened species.

In addition, none of the conditions described in Section 21159.25(c) apply to this project.

 Lezanne Jeffs, Project Planner

Date: _____

EXHIBIT E

BEFORE THE PLANNING COMMISSION
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 2019-08

On the motion of Commissioner - Guth
Duly seconded by Commissioner - Dann
The following Resolution is adopted:

PLANNING COMMISSION RESOLUTION
RECOMMENDING THAT THE BOARD OF SUPERVISORS
APPROVE A ZONING MAP AMENDMENT, PLANNED UNIT DEVELOPMENT AND
DEVELOPMENT PERMIT REQUESTS FOR APPLICATION 181579, AT CAPITOLA
ROAD, NEAR THE INTERSECTION WITH 17TH AVENUE

WHEREAS, the Planning Commission has held a public hearing on Application No. 181579 involving a 3.65-acre property that is located on the south side of Capitola Road (1412, 1438, 1500 and 1514 Capitola Road), opposite the point where 15th and 16th Avenues meet Capitola Road and between Leila Court and 17th Avenue in Live Oak, regarding the proposed Vesting Tentative Map, Commercial Development Permit, Zoning Map Amendment, Planned Unit Development, Density Bonus and Sign Exception for a project that includes: adjustment of four parcels of 0.97 acres, 0.97 acres, 1.04 acres and 0.67 acres to three parcels (two commercial condominium lots within a 1.24-acre common area and a 2.36-acre parcel) and a street dedication of 0.05 acres and construction of a mixed-use development consisting of: 1) a two-story, 11,048 square foot dental office (Dientes) and a two-story, 19,297 square foot medical clinic (Santa Cruz Community Health Center), connected by a shared access tower; 2) four three-story residential buildings totaling 61,275 square feet containing 56 affordable residential apartments, a manager's apartment and a community center; 3) a 338 square foot maintenance shed; 4) a public park/plaza; 5) a private residential open space; 6) a private community garden, 7) shared parking, and 8) three business identification signs and two residential monument signs with a combined area of 200 square feet, in the C-1 (Neighborhood Commercial) district. In addition, at the 2.36-acre residential portion of the site, the project includes adding the Regional Housing Need ("R" Combining) district to the existing C-1 zoning and a request for a 20% Residential Density Bonus.

WHEREAS, The Planning Commission has also considered all testimony and evidence received at the public hearing and detailed in the attached staff report.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission recommends that the Board of Supervisors determine that the proposal is exempt from further Environmental Review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21159.25 and approve Application Number **181579**.

BE IT FURTHER RESOLVED, that the Planning Commission makes findings on the proposed Zoning Map Amendment, Planned Unit Development, Vesting Tentative Map, Density Bonus, Commercial Development Permit and Sign Exception as contained in the Report to the Planning Commission.

EXHIBIT A

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this 28th day of August, 2019, by the following vote:

AYES: COMMISSIONERS: Guth, Shaffer Freitas, Dann, Shepherd, Lazenby
 NOES: COMMISSIONERS: None
 ABSENT: COMMISSIONERS: None
 ABSTAIN: COMMISSIONERS: None.

ATTEST:

Joelyn Drake
 JOEELYN DRAKE, Secretary

Chairperson

APPROVED AS TO FORM:

GM Heat 10/16/19
 ASSISTANT COUNTY COUNSEL

6. Approval of Minutes

16.e

To approve the minutes of the June 12, 2019 Planning Commission meeting as submitted by the Planning Staff.

ACTION: Approve the minutes as prepared by staff.

MOTION/SECOND: Dann/Shepherd

AYES: Guth, Shaffer Freitas, Dann, Shepherd

NOES: None

ABSTAIN: Lazenby

ABSENT: None

7. 181579 1412, 1438, 1500 & 1514 Capitola Rd., Santa Cruz 95062 APN's: 026-741-12 & -13, -14, -15

Proposal to adjust four parcels of 0.97 acres, 0.97 acres, 1.04 acres and 0.67 acres to three parcels (two commercial condominium lots within a 1.24-acre common area and a 2.36-acre parcel) and a street dedication of 0.05 acres and to construct a mixed-use development consisting of: 1) a two-story, 11,048 square foot dental office (Dientes) and a two-story, 19,297 square foot medical clinic (Santa Cruz Community Health Center), connected by a shared access tower; 2) four three-story residential buildings totaling 61,275 square feet containing 56 affordable residential apartments, a manager's apartment and a community center; 3) a 338 square foot maintenance shed; 4) a public park/plaza; 5) a private residential open space; 6) a private community garden, 7) shared parking, and 8) three business identification signs and two residential monument signs with a combined area of 200 square feet, in the C-1 (Neighborhood Commercial) district. In addition, at the 2.36-acre residential portion of the site, the project includes adding the Regional Housing Need ("R" Combining) district to the existing C-1 zoning and a request for a 20% Residential Density Bonus. Requires the approval of a Vesting Tentative Map, a Commercial Development Permit, a Zoning Map Amendment, a Planned Unit Development, a 20% Residential Density Bonus, a Sign Exception, Design Review, and a determination that the project is Categorically Exempt from further review under the California Environmental Quality Act (CEQA).

Parcels located on the south side of Capitola Road between Leila Court and 17th Avenue (1412, 1438, 1500, 1514 Capitola Road).

APPLICANT: MidPen Housing

OWNER: County of Santa Cruz Redevelopment Successor Agency

SUPERVISORIAL DISTRICT: 1

PROJECT PLANNER: Lezanne Jeffs, (831) 454-2480

EMAIL: Lezanne.Jeffs@santacruzcounty.us

ACTION: To approve application 181579 with the following changes:

- *Remove left turn limitation on western entrance*
- *Modify the zoning map amendment findings per Guth.*
- *Modify condition R5 to include revised language per Dann.*
- *Community garden shall be designed to have maximum sun exposure when considering tree additions and it shall be fenced in.*

MOTION/SECOND: Guth/Dann

AYES: Guth, Shaffer-Freitas, Dann, Lazenby, Shepherd

NOES: None

ABSTAIN: None

ABSENT: None

8. 181132 2200 7th Ave & 1001 Rodriguez St., Santa Cruz 95062 APN's: 026-461-02 026-063-01

Proposal to modify the animal services campus in three phases. Phase 1: remodel the animal services building on APN 026-063-01 to expand the veterinary procedure area; create a new meeting room;

expand the building by 704 square feet to accommodate rabbits and cats; recognize the spay / neuter clinic serving the public; and eliminate condition of approval IV.C.7 of Permit 06-0418 which prohibits dog training and exercise areas within 50 feet of adjacent residential properties. In Phase 2: remodel and add a covered deck and 212 square feet to the existing structure on APN 026-461-02 to become a cat adoption center with coffee shop service; expand the existing northern parking lot by 11 spaces; and install three identification and two pedestrian signs. Phase 3: construct a 1,216 square feet training and education building with a 448 square feet patio to the east of the cat adoption center. Requires an Amendment to Master Site Plan Permit 06-0418, a sign exception to allow five new signs and a total of 38.5 square feet of signage where 35 square feet is allowed, and a determination that the project is Categorically Exempt under CEQA from further Environmental Review.

Property located on the northeast corner of the intersection of 7th Avenue and Rodriguez Street (2200 7th Avenue and 1001 Rodriguez Street).

APPLICANT: Teall Messer
 OWNER: County of Santa Cruz
 SUPERVISORIAL DISTRICT: 1
 PROJECT PLANNER: Annette Olson, (831) 454-3134
 EMAIL: Annette.Olson@santacruzcounty.us

ACTION: Approve application 181132 with an added condition of approval requiring that any trees that are removed will be replaced with 2 replacements.

*MOTION/SECOND: Guth/Dann
 AYES: Guth, Shaffer Freitas, Dann, Lazenby, Shepherd
 NOES: None
 ABSTAIN: None
 ABSENT: None*

APPEAL INFORMATION

Denial or approval of any permit by the Planning Commission is appealable to the Board of Supervisors. The appeal must be filed with the required appeal fee within 14 calendar days of action by the Planning Commission. To file an appeal you must write a letter to the Board of Supervisors and include the appeal fee. For more information on appeals, please see the "Planning Appeals" brochure located in the Planning Department lobby, or contact the project planner.

APPEALS OF COASTAL PROJECTS

(*) This project requires a Coastal Zone Permit which is not appealable to the California Coastal Commission. It may be appealed to the Board of Supervisors; the appeal must be filed within 14 calendar days of action by the Planning Commission.

(**) This project requires a Coastal Development Permit. Denial or approval of the Coastal Development Permit is appealable to the Board of Supervisors; the appeal must be filed within 14 calendar days of action by the Planning Commission. After all local appeal periods have ended (grounds for appeal are listed in the County Code Section 13.20.110), approval of a Coastal Development permit is appealable to the California Coastal Commission. The appeal must be filed with the Coastal Commission within 10 business days of receipt by the Coastal Commission of notice of final local action.

Note regarding Public hearing items: If any person challenges an action taken on the foregoing matter(s) in court, they may be limited to raising only those issues raised at the public hearing described in this notice or in written correspondence delivered to the Planning Commission at or prior to the public hearing.

Agenda documents may be reviewed at the Planning Department, Room 420, County Government Center, 701 Ocean Street, Santa Cruz.

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board of Supervisors chambers is located in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please

contact the ADA Coordinator at 454-3137 (TDD/TTY number is 711) at least 72 hours in advance of the meeting to arrangements. As a courtesy to those persons affected, please attend the meeting smoke and scent free.

16.e

1500 Capitola Rd

From: dixie west (dixiecoast2004@yahoo.com)

To: lezanne.jeffs@santacruzcounty.us

Date: Friday, June 28, 2019, 12:50 PM PDT

Dear Lezanne

Thank you for speaking with me today it was much appreciated and also understanding my concerns.

First of all i am very concerned about the choices of the buildings.

1 . Three story apartments are intrusive to the environment , air space, and neighbors in Live Oak. I live on Linnea ct which is over the fence of the project.

2. Natural habitat in the area includes Salamanders, lizards, Families of red tail hawks that have lived there for years. Heron bird that land on my fence and house.

My neighbor hood uses this are to take there dogs , kids to play in one of the only open spaces in Live Oak.

Traffic is already a nuisance from &TH ave to Capitola RD.Took me 30 minutes from here to there .

To build this huge midpen housing it will destroy our beautiful Live Oak.

My house was resent appraised for \$ 1,325,000 . This will destroy everyone market value.

Please don't let this project pass. It will have to be changed in order for it to fit in our Live Oak area.

I am 63 going on 64 and i want to retire peacefully that everyone deserves . But, this project is causing me stress and anxiety

Please consider my thoughts and work with me .

Sincerely

Dixie West





Affordable Housing NOW!
P.O. Box 2374, Santa Cruz, California 95063
(831) 295-2756
affordablehousing-now.org

August 20, 2019

Santa Cruz County Planning Commission
County Government Center
701 Ocean Street
Santa Cruz, CA 95060

RE: 181579

Dear Members of the Planning Commission:

Affordable Housing NOW! (AHN) supports the 1500 Capitola Road mixed-used development and encourages your Commission to vote yes to approve this proposal.

With 57 affordable housing units operated by an affiliate of MidPen Housing Corporation, the project will move the County closer to achieving its 2015-2023 Housing Element goals and address the critical need for affordable housing for county residents.

In addition to providing much needed affordable housing, the commercial portion of this mixed-use project will offer greater access to dental services provided by Dientes and medical services provided by Santa Cruz Community Health Center.

This project is well designed preserving green space and offering a large public plaza for neighborhood gatherings and community BBQs.

This is an excellent opportunity to address the critical need for affordable housing for people who live and work in Santa Cruz County. Please vote to approve this proposal and move this project forward.

Sincerely,

Tim Willoughby, AHN Chair

Attachment: Additional correspondence received for August 28, 2019 Planning Commission hearing (7998 : Public hearing for the Capitola

ATTN Lezanne

Aug 21, 2015

To The Board of Supervisors : RE: 1500 Capitola Rd

My name is Dixie west I am 63 years old and live at 1570 Linnea Ct Santa Cruz Ca 95062. This project is over my fence and takes up my entire property to the beginning to the end of my lot lines. The proposal for this said land will be harming all the natural habitat on this property. This include a family of 6 Red tail Hawks, Heroin birds , another big bird don't know the name. , multiple families of pigeons. This also includes lizards, salamanders, garden snakes and other animals of all sorts. This land is Live Oak Sanctuary which could be the last piece of land in Live Oak. Please consider to modify the 3 story apartment into two story apartments. I don't want widows facing my house its invasive to privacy. This project runs down the line of all my bedrooms and bathrooms. I want it at least 100 feet from my fence. Doctors , teachers, and firemen also need homes to live in why just have it for low income. I want tall large trees lining my house. I want the mid pen housing to work with me in what I want for this is ruining my home and my retirement, I have asthma so will need to move if this gets accepted. I think traffic is a big issue. There are so many other concerns . You can reach me at :
Dixie West
831-594-1780

From: Jean Brocklebank <jeanbean@baymoon.com>
Sent: Thursday, August 22, 2019 12:32 PM
To: Lezanne Jeffs <Lezanne.Jeffs@santacruzcounty.us>
Subject: Agenda item 181579

Hi Lezanne ~

I've a question about where, exactly, we are in the process for the 1500 Capitola Road Project.

Am I correct that Agenda item 181579 of the 8/28/19 Planning Commission meeting is **not** a Public Hearing on the project as a whole, and that a Public Hearing on the project as a whole will be scheduled for a future Planning Commission meeting?

This agenda item includes this language:

"Requires the approval of a Vesting Tentative Map, a Commercial Development Permit, a Zoning Map Amendment, a Planned Unit Development, a 20% Residential Density Bonus, a Sign Exception, Design Review, and a determination that the project is Categorically Exempt from further review under the California Environmental Quality Act (CEQA)."

Will all of these approvals (above) be voted on, as a package, by the Planning Commission at the 8/28/19 meeting?

Thanks, in advance, for clarifying.

Jean Brocklebank
Live Oak resident

Lezanne Jeffs

From: Jean Brocklebank <jeanbean@baymoon.com>
Sent: Thursday, August 22, 2019 1:14 PM
To: Lezanne Jeffs
Subject: Re: Agenda item 181579

Thank you for the speedy response!

Yes, I am familiar with the planning process. I just wanted to confirm that Agenda item 181579 is a "public hearing" before the Planning Commission on the project.

Jean

On Aug 22, 2019, at 12:55 PM, Lezanne Jeffs wrote:

Hi Jean,

The upcoming hearing on August 28, 2019 will be a public hearing of all aspects of the project; however, the Planning Commission will not be making a final decision. Outcomes of the hearing may be: 1) a Recommendation to the Board of Supervisors that the project be approved. This recommendation may be made either with or without additional directives (eg. the addition of conditions of approval, minor revisions to the project design etc.), 2) a Recommendation of denial of the project, including specific reasons for the decision, or 3) continuance of the project. A continuance could be either to a date certain or to a future, unspecified date. If the project is continued, this action would be accompanied by a directive to Planning staff (eg. provide additional information/analysis, have the applicant revise the project in some way etc.).

After the Planning Commission has made a recommendation (either at this hearing, or at a subsequent hearing subject to a continuance) the project will be scheduled for a public hearing with the Board of Supervisors. At the Board hearing the Supervisors may make a decision to approve or deny the application. Alternatively, they may refer the project back to the Planning Commission for further consideration before the item comes back to the Board for a final decision.

I hope that this helps you to understand the process. If you have any questions, please do not hesitate to call me.

Best regards,

Lezanne

Lezanne Jeffs
 Senior Planner
 Development Review
 Tel: (831) 454 2480
lezanne.jeffs@santacruzcounty.us

<image001.jpg>

Attachment: Additional correspondence received for August 28, 2019 Planning Commission hearing (7998 : Public hearing for the Capitola



Live Oak School District

Our mission is to empower, inspire and ensure equitable opportunities for every student to thrive. We teach and nurture the whole child in an academically rigorous, collaborative and innovative environment.

Lorie Chamberland, Ed.D.
Superintendent

August 26, 2019

To Michael Lam and the Santa Cruz County Planning Commission:

As Superintendent of the Live Oak School District (LOSD) representing 1,700 children and their families, I am writing to endorse the proposed development at 1500 Capitola Road. This project is an exciting initiative led by known and trusted health care providers, Santa Cruz Community Health Centers (SCCHC) and Dientes. It also includes affordable housing, which is a critical need for both parents and teachers alike.

The LOSD has built excellent relationships with both SCCHC and Dientes over the years. In fact, Dientes currently operates a mobile pediatric dental clinic that brings no-cost dental care right to the school sites for many students. SCCHC's health center in Live Oak serves more than half of our school population with expert pediatric and behavioral health care. In addition, as a partner in the Live Oak Cradle to Career program, SCCHC has partnered with parents and teachers to increase services for high risk children with complex social or behavioral needs, ensured access to well-care and immunizations, and are as invested in the academic success of our children as we are.

SCCHC and Dientes serve low-income families regardless of their ability to pay. This is crucial because our district has too many families living at poverty level or who are homeless. The fact that the 1500 Capitola Road site is in close proximity to Live Oak Elementary School, in particular, is key because that school currently reports 26% of its students as homeless.

On behalf of Live Oak families, we very much hope you will support the expansion of these wonderful organizations and their critically needed services.

Sincerely,

Lorie Chamberland, Ed.D.



August 27, 2019

Michael Lam
Planning Technician
The County of Santa Cruz - Planning Commission
701 Ocean Street, Room 400
Santa Cruz, CA, 95060

RE: Letter of Support for Santa Cruz Community Health Centers and Dientes Community Dental Care Project at 1500 Capitola Road

To the Santa Cruz County Planning Commission:

In support of the development at 1500 Capitola Road, I am writing on behalf of the Health Improvement Partnership of Santa Cruz County (HIP), a nonprofit coalition of public and private health care leaders dedicated to increasing access to health care and building stronger local health care systems. HIP's priorities focus on broad systems-level improvement and change, especially to ensure that low-income and uninsured residents of our community have access to high quality care.

The Project at 1500 Capitola Road features key members of our local health care delivery system: Dientes Community Dental Care (Dientes) and Santa Cruz Community Health Centers (SCCHC). Each play a critical role in ensuring that there is health care capacity, compassion, and expertise available to all Santa Cruz residents, regardless of their ability to pay. They also help to address and mitigate urgent public health needs such as oral health, behavioral health and pediatric prevention. As part of our larger safety net clinic system, Dientes and SCCHC strengthen community health and well-being and ensure that all people are as healthy as they can be in mind, body, and spirit.

Dientes and SCCHC have a proven track records for quality, fiscal management, and patient care. Their expansion in Live Oak will considerably strengthen their ability to meet community needs. We urge the Planning Commission to support the 1500 Capitola Road project.

Sincerely,

Elisa Orona
Health Improvement Partnership, Executive Director

Cabrillo College Student Health Services • Central California Alliance for Health • Community Foundation Santa Cruz County • Diabetes Health Center
Dientes Community Dental Care • Dignity Health Dominican Hospital • Dignity Health Medical Network–Dominican • Encompass Community Services
Hospice of Santa Cruz County • Janus of Santa Cruz • Pajaro Valley Community Health Trust • Palo Alto Medical Foundation
Planned Parenthood Mar Monte • Salud Para La Gente • Santa Cruz Community Health Centers • Santa Cruz County Health Services Agency
Santa Cruz County Human Services Department • Santa Cruz County Medical Society • Stanford Children's Health
Sutter Maternity and Surgery Center • United Way of Santa Cruz County • Watsonville Community Hospital

Michael Lam

From: Andrew Goldenkranz <agoldenk@gmail.com>
Sent: Tuesday, August 27, 2019 11:55 AM
To: Michael Lam
Subject: request distribution to Planning Commission members please

Good morning,

My name is Andrew Goldenkranz, I have lived in Santa Cruz County for 34 years and in Live Oak for ten of those years. My family was instrumental in getting the Boys and Girls' Club located adjacent to the swim center. I am also on the board of the Santa Cruz Community Health Centers, one of the partners in the proposed 17th and Capitola project.

In my view this project represents a substantial net gain for neighbors and the county overall. A mixed use project is smart planning and meets real identified needs of affordable housing, good jobs, and medical and dental care for our community. I participated in the public charettes and in both cases, heard partners and county staff listen carefully to both neighborhood and regional needs. traffic, parking, and setbacks have been addressed and there will be appropriate educational display for the historic attributes of that site. The schoolchildren next door will benefit greatly from having ready access to medical and dental care. Someday, we hope to see additional improvements on the corner lot to make this a truly thriving part of town.

The partners--MidPen Housing, Dientes, and our Health Center--are proven trustworthy local partners and we are prioritizing local builders and vendors to derive as much community benefit as possible. As a health center, we want a healthy, sustainable facility that the neighborhood can be proud of. Timing is important because the housing and health care needs of the community cannot wait any longer.

Please approve this proposal at your August 28 meeting. Development is never easy but this is by far the clearest and best put together project imaginable, and all the externalities are clearly addressed.

Sincerely,

Andrew Goldenkranz
agoldenk@gmail.com
 831-588-8262 (c)

Attachment: Additional correspondence received for August 28, 2019 Planning Commission hearing (7998 : Public hearing for the Capitola

Applicant
Mid Pen Housing
Owner
Santa Cruz County
APNs 026-741-12-13-14 & 15

The County of Santa Cruz Board of Supervisors

John Leopold, Zack Friend, Ryan Coonerty,
Bruce McPherson, Greg Caput

The six residents of Leila Ct. that adjoin the majority of parking spots for both commercial buildings and Planned Unit Development (PUD) Apartments at 1500 Capitola Rd. opportunity site, Application #181579, would like the following resolved.

Considering the size and scope of this project there have been no real effort to control,

Item 1.

NOISE

The residents discussed our concerns with Mid Pen Housing representatives on April 12, 2018, October 11, 2018, community meetings and a special residential meeting May 23, 2018, at 1335 Leila Ct. where we discussed structure placement, drainage concerns, landscape trees and sound walls.

The statements from the Planned Unit Development Finding Section 1 & 3 pgs. 81 & 83, EXHIBIT F., Staff Report / The Planning Commission, Environmental Review pg. 15, and The Ordinance Approving a ("PUD") Section III, EXHIBIT C., Item L. pg. 28, Fencing EXHIBIT D., Map L.1.01, pg. 42, Copy of Map (Attached),

Provide No Control of NOISE

We discussed the project with Burman Engineering a Cal-Trans Sound Consulting Company they recommend Pre-Cast 8 ft. Sections, 8 ft. High, "H" Pile Sound Wall. They also said under certain conditions a developer may be required to complete a Corresponding Noise Use Survey under Federal Title 23, when commercial buildings are involved. A wooden fence provides no Sound Reduction or co-efficient at all.

Without a Sound Wall the six houses will be subject to "Noise Pollution" from the following: Auto Door Chimes, Auto Burglar Alarms, Auto Sub-Woofers, Boom Boxes, Motorcycles, Refuse, Delivery, Maintenance, trucks, Graveyard & Swing Shift Workers and people partying or conversing in a loud manner from adjacent 84 Parking Spaces.

Item 2.

BUS STOP RELOCATION

East Bound Santa Cruz Metro Bus Stop, Conditions of Approval EXHIBIT G. Item I. pg 97, 5 ft. behind the sidewalk, (11 ft. total from curb to back of Shelter Pad) This relocation puts the Bus Stop right next to the first house on Leila Ct., and into a Common Area of C.C.R. Vol. 5046, pg. 699, Vol. 84 of Maps pg. 44, (Copy Attached) The Bus Stop would serve the Complex better in front of the S.C.C.H.C. Commercial Building, adjacent or across from the West Bound Bus Stop.

1329

1331

1333

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Anna Fisher

Angela Sanchez

Sara Chavez

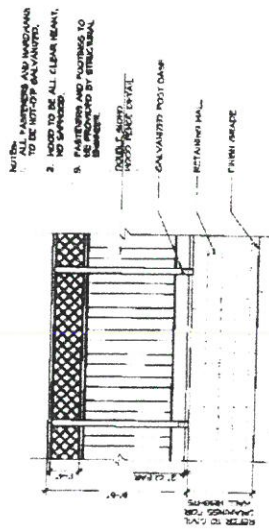
Hedy Whelan

Allan P. Fisher
Ana Fisher

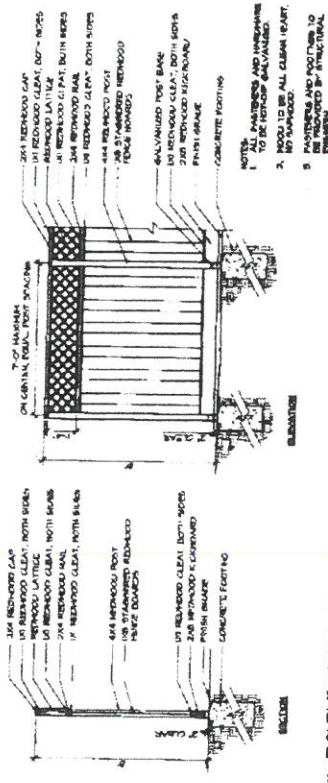


MID-PEN HOUSING
1800 CAPITOLA ROAD MIXED-USE
MID-PEN HOUSING
1800 CAPITOLA ROAD MIXED-USE
MID-PEN HOUSING
1800 CAPITOLA ROAD MIXED-USE

LANDSCAPE
MATERIALS
DETAILS
L1.01



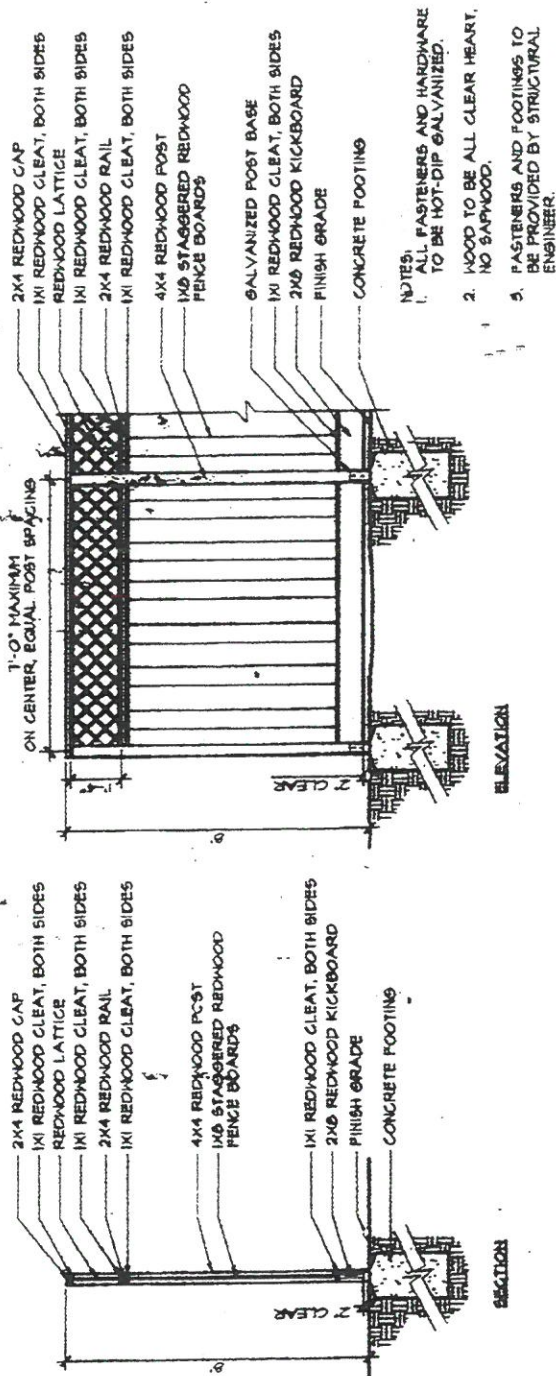
② FENCE ON WALL ELEVATION



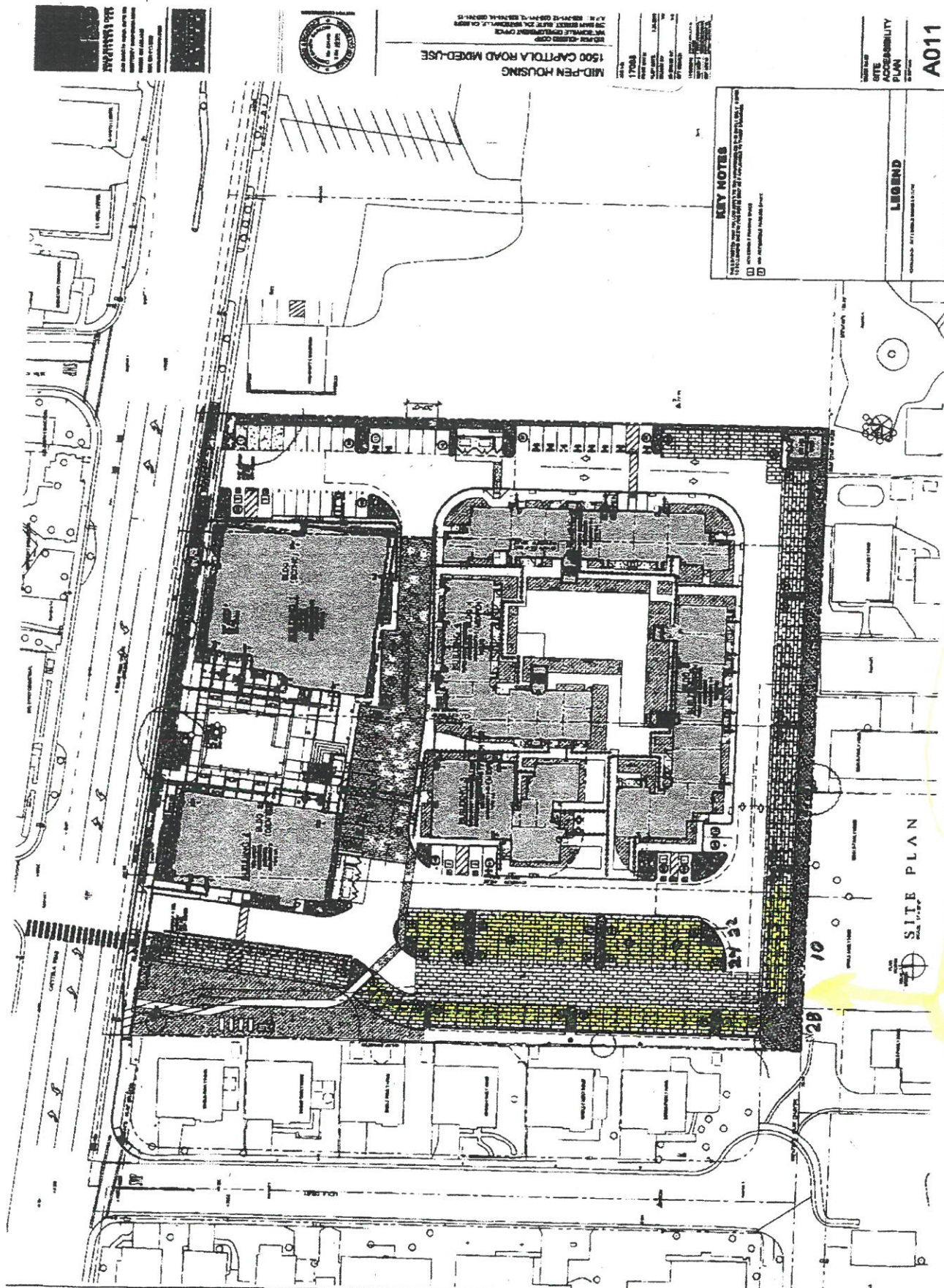
① DOUBLE SIDED WOOD FENCE DETAIL

EXHIBIT D

LEILA ST. SIDE
FENCE



① DOUBLE SIDED WOOD FENCE DETAIL
1/2" = 1'-0"



84 Total
Parking
Spots

Attachment: Correspondence submitted on October 22, 2019, by Bert Whelan on behalf of Leila Court neighbors (7998 : Public hearing for the



Founders Title Co. #170534-5-WM
After Recording Mail to:
Leila Court Joint Venture
P.O. Box 1655
Soquel, CA 95073

VOL. 5046 PAGE 699

41277

RECORDED AT THE REQUEST OF
FOUNDERS TITLE CO.

JUN -3 1992

801 am
RICHARD E. GIBAL, Recorder
SANTA CRUZ COUNTY, Official Records

RE 147
MI 2
SF 8
SM
LN
CO
OP

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS DECLARATION made on the date hereinafter set forth by LEILA COURT JOINT VENTURE composed of RICHARD L. CROCKER and FRANK M. IADIANO in accordance with Joint Venture Agreement dated March 20, 1992, collectively hereinafter referred to as "Declarant", being the owners of certain real property situated in the County of Santa Cruz, State of California, more particularly described as follows:

Lots 1 through 6, Parcel A and Parcel B, inclusive, as the same are shown on that certain Tract Number 1277 entitled Michelle Park Subdivision, filed for record July 12, 1992, in Volume 84 of Maps, at Page 44, Santa Cruz County Records.

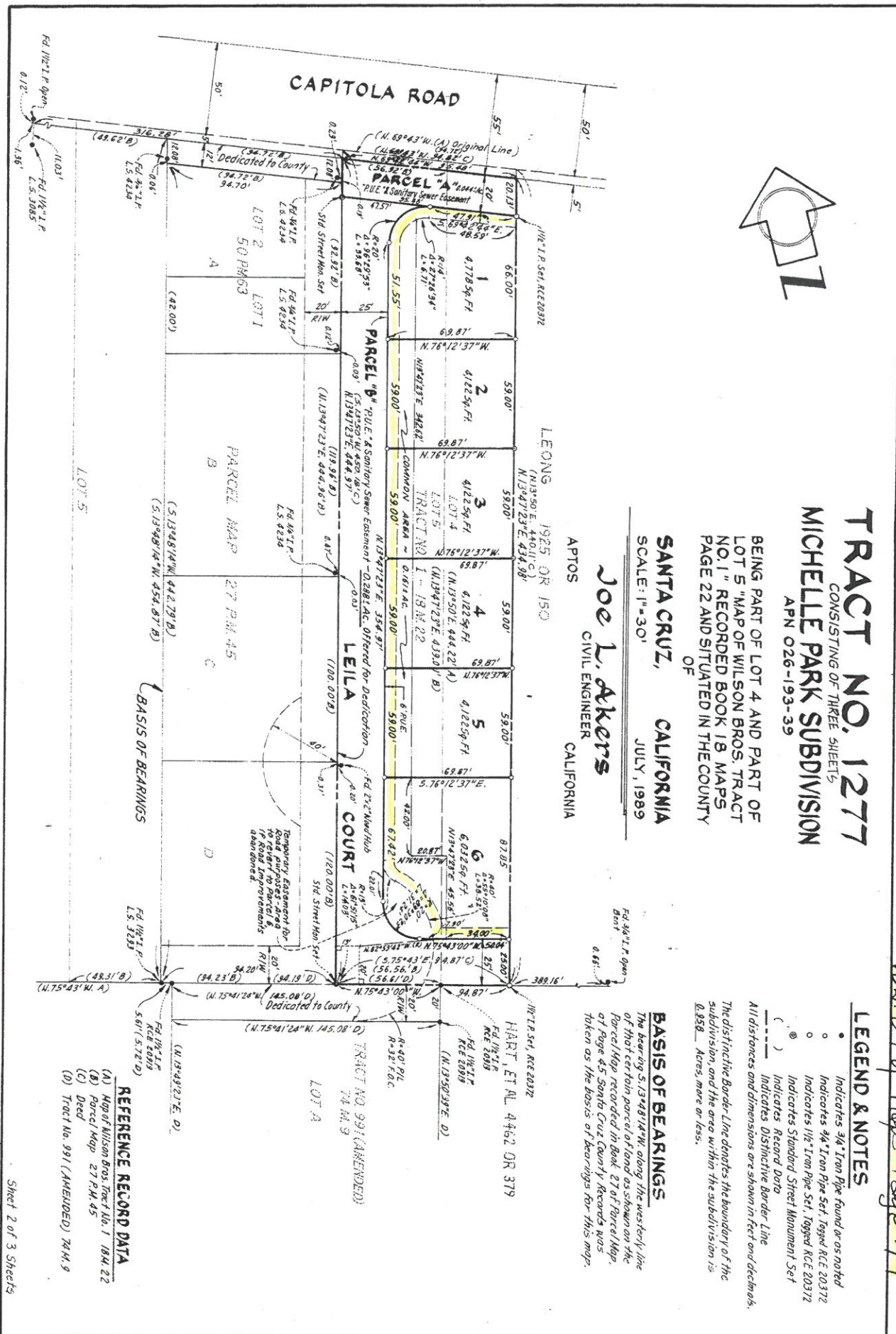
APN

Declarant does hereby declare, for the purpose of establishing a general plan for the creation of a planned residential development, within the meaning of California Civil Code Section 1351(k), that all of the property described above shall be held, occupied, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, liens and charges, set forth hereinafter, all of which shall run with the real property described above and shall be binding on all parties having any right, title or interest therein or in any thereof, their heirs, successors and assigns, and which shall inure to the benefit of each owner thereof, and all of which are imposed upon said real property and every part hereof as a servitude in favor of each and every lot thereof as the dominant tenement and may be enforced by declarant, or his successors and assigns, each owner, his successors and assigns, or by the Association, its successors and assigns.

ARTICLE I

MAINTENANCE OF DRIVEWAY, DRAINAGE FACILITIES, AND LANDSCAPING

Section 1.01. The owner(s) of each of Parcels 1 through 6, inclusive, shall share equally in all costs or expenses reasonably and necessarily incurred in connection with the maintenance of the driveway and drainage facilities described as Parcel A and Parcel B on the above-referenced Subdivision Map, as determined by the vote of the owners of the owners of a majority of the lots, until such time as the dedication of the above-referenced parcels is accepted by the County of Santa Cruz. All votes for each lot shall, if at all, be cast as a unit. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any owner casts a vote or votes





**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Planning: Housing
(831) 454-2580

Subject: Housing Funding for 17th and Capitola

Meeting Date: November 5, 2019

Recommended Actions:

1. Approve the expenditure of \$5,000,000 (FIVE MILLION DOLLARS) from the Low-and Moderate-Income Housing Asset Fund (Fund 21-030-001) to MP Live Oak Associates, L.P., a partnership established by MidPen Housing, for an affordable housing project; and
2. Approve the assumption by the County of the rights and obligations of the Santa Cruz County Redevelopment Successor Agency under an Affordable Housing and Property Disposition Agreement (AHPDA) with MP Live Oak Associates, L.P., a partnership established by MidPen Housing, and authorize the Planning Director to execute the assumption, and take related actions, including the implementation of the AHPDA.

Executive Summary

The Office for Economic Development and the Planning Department have been working to dispose of property owned by the former Redevelopment Agency of the County of Santa Cruz (RDA). Through a disposition process that included a Request for Proposals, MidPen Housing was selected as the lead developer for a project to include a 57-unit affordable housing development and two clinics. The recommended action is the third of three actions on today's agenda, which consist of (i) consideration by the Santa Cruz County Redevelopment Successor Agency (RSA) Board of an agreement for the disposition of the property, (ii) consideration by the County of entitlements for development of the property consistent with the disposition process, and finally, (iii) consideration by the County of a commitment of affordable housing funds to the affordable housing portion to the project. In addition, with this action, the County will assume the rights and obligations of the Santa Cruz County Redevelopment Successor Agency (RSA) under the Affordable Housing and Property Disposition Agreement which provides for long-term oversight of the property as an affordable rental project.

Background

The former Redevelopment Agency of Santa Cruz County (RDA) acquired the parcels located near the southwest corner of 17th Avenue and Capitola Road in 1994 and 1997. These parcels became known as the Capitola Road Commercial Site (Site). Through a series of community discussions, a vision for the site evolved by 2010 that would allow it to provide vibrant space for community gathering, housing and economic activity.

When the State eliminated redevelopment agencies in 2011, there was a need to

modify plans for the Site. Pursuant to the dissolution laws, the Santa Cruz County Redevelopment Successor Agency (RSA) prepared a Long-Range Property Management Plan (LRPMP) in September 2013 which directed the managed sale of the Site to maximize sale proceeds and long-term economic and community benefit. The LRPMP was approved by the California Department of Finance on August 20, 2014.

On April 20, 2017, a community meeting was convened to gather input to guide the vision for the Site. The community cited affordable housing as a priority and an interest in horizontal mixed-use design. The vision also called for a reference to the history of the Site, preservation of the large live oak tree and a preference for locally-owned businesses and non-profits along with other desires. A request for qualifications (RFQ) was approved by the Board on May 23, 2017 to seek qualified and experienced developers to enter into an exclusive negotiation agreement for the purchase and development of the Site for a mixed-use, neighborhood-serving commercial project.

On August 4, 2017, three responses to the RFQ were received and represented interest from MidPen Housing (MPH), City Ventures, and For the Future Housing. For the Future Housing was subsequently disqualified from the process due to a procedural violation. Upon review of the responses, MPH was selected as the preferred developer.

The MPH proposal included a mixed-use project consisting of an affordable housing project and space for two not for profit community clinics -- Dientes Community Dental Care (Dientes) and Santa Cruz Community Health Centers (SCCHC) (collectively, the Clinics).

On December 5, 2017, the RSA entered into an Exclusive Negotiation Agreement (ENA) with MPH. The ENA provided for the parties to attempt to negotiate an Affordable Housing and Property Disposition Agreement (AHPDA) or other form of agreement that would set forth the terms and conditions for the RSA's sale of a portion of the Site to MPH and a portion to the Clinics.

On December 12, 2017, the Board of Supervisors committed \$315,585 to MPH from the Low- and Moderate-Income Housing Asset Fund (LMIHAF) as predevelopment funding. The funds allowed MPH to conduct studies and develop preliminary designs to enable the project submittal to undergo environmental review. The predevelopment funding was allocated only to the affordable housing portion of such preliminary costs.

Analysis

Redevelopment Successor Agency Disposition of the Site

The role of MPH as the developer is to serve as lead partner with the County to develop a land use plan for the Site incorporating the community vision. MPH has a long history of collaborating with the County and surrounding communities to create affordable housing as well as broader goals set out through community planning initiatives. Working with the Clinics, MPH has developed a proposed mixed-use project for the Site, including interior circulation patterns, exterior site access, fire access to both parcels, infrastructure improvements, common areas and amenities as well as a shared parking plan for the commercial and residential uses (collectively, the Project).

Elsewhere on today's agenda, the Board of Supervisors will consider the land use approval for the proposed Project, which was recommended by the Planning Commission on August 28, 2019.

The AHPDA sets forth the terms of the disposition of the Site from the RSA to the partnership established by MPH and the development and subsequent operation of the Project consistent with the community vision. MPH led the Clinics through the process of negotiation of the AHPDA, and it is anticipated that the Clinics will proceed before the affordable housing project. The AHPDA is structured to map the Site into two parcels, with one parcel to be developed with the affordable housing project, and the second parcel to be further subdivided into two commercial condominiums for use by the Clinics.

The AHPDA contemplates that the affordable parcel and the two commercial condominiums established from the Clinics parcel will be sold to the applicable parties through the same closing transaction. Provided that the Clinics have satisfied certain closing conditions in favor of the RSA that are set forth in the AHPDA, the AHPDA provides for the RSA to enter into a separate disposition agreement with each Clinic for the sale and transfer of the respective condominium, and which will include construction requirements substantially similar to those in the AHPDA. The AHPDA further provides that at the close of escrow, (i) the RSA will assign the separate agreements with the Clinics to the County, and (ii) the County will enter into a regulatory agreement with each of the Clinics that obligates the Clinics to operate their respective Clinic and maintain their respective condominium for 15 years. The AHPDA's closing conditions in favor of the RSA include that the partnership established by MPH and the Clinics have entered into a series of agreements establishing access easements and setting forth the mechanism for ensuring construction, payment, and maintenance of the necessary common infrastructure.

The purchase price of the property has been determined through an appraisal report dated December 3, 2018 prepared by Valbridge Property Advisors as \$3,525,000. MPH will pay the portion of the appraised value that is attributable to the affordable housing development, which is \$2,850,000. The balance will be divided equally between the Clinics, with each of Dientes and SCCCHC paying \$337,500 for their individual condominiums. These amounts will be paid at close of escrow based on certain performance provisions, and the net sales proceeds will be distributed to the affected taxing entities in proportion to their respective shares of taxes derived from the Site.

If approved by the RSA, the RSA's approval of the AHPDA is scheduled to be presented to the Santa Cruz County Consolidated Redevelopment Oversight Board at its January 2020 meeting for final approval. The AHPDA is included as Exhibit 1. A Schedule of Performance is incorporated into the AHPDA as Attachment 3.

County Funding of Affordable Housing Project

MPH is proposing a 57-unit affordable rental project with a mix of one, two- and three-bedroom rental apartments (one of which units would be an unrestricted manager's unit). One hundred percent of the rental units in the project will target Low Income households with household incomes ranging from 30% of the Area Median Income

(AMI) to 80% of AMI, with the deepest affordability mix sustainable. MPH expects to seek federal Low-Income Housing Tax Credits for the project and will seek additional funding for the project through the Federal Home Loan Bank and the No Place Like Home Program for the project that is expected to total nearly \$38 million. MPH will also seek Project Based Vouchers through the Housing Authority of the County of Santa Cruz for approximately twenty-five of the homes.

The County requires affordable housing projects receiving County funding to provide a preference for households that live or work in Santa Cruz County. MPH has requested that the County permit MPH to provide an additional live-work preference for households that live or work in Live Oak. MPH has undertaken legal analysis that supports such a preference on the basis of the County and Live Oak having comparable demographics. All 56 of the rental units in the Project will be subject to the County's general live/work preference; the 25 units with Project Based Vouchers are available to a narrower subset of applicants through the Housing Authority, 15 units will have the Live Oak preference, and the remaining 16 units will be open to qualifying households who live or work in Santa Cruz County. As always, MPH will select tenants through a random drawing process subject to fair housing laws.

Redevelopment dissolution legislation provides for the retention and re-use of redevelopment housing funds placed into the LMIHAF. Use of the LMIHAF was clarified in 2013 through SB 341, which limits the use of redevelopment reuse funds to the production of affordable housing, certain administrative costs and limited support of homelessness prevention activities. The Housing Successor must ensure that every five years, commencing with the FY 2014-2015 to FY 2018-2019 five-year period, at least 30% of the LMIHAF is expended for the development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income. The funding allocation proposed pursuant to the AHPDA is consistent with this requirement.

The County is also required by SB 341 to report annually to the State of California on any Excess Surplus. The report received by the Board of Supervisors on March 26, 2019 and subsequently filed with the State reported that the LMIHAF does have Excess Surplus in the amount of \$1,088,673 and is required to timely encumber the funds to produce affordable housing or it risks losing the funds. Recommended funding for the project of \$5.0 million will resolve the Excess Surplus.

Financial Impact

Sale of the property by the County RDA Successor Agency will result in proceeds of \$3,525,000.00 which will be distributed to the affected taxing entities. \$5,000,000.00 from the Low-and Moderate-Income Housing Asset Fund (Fund 21-030-001) is budgeted for the purpose of assisting the affordable housing development.

Strategic Plan Elements

- 1.A (Comprehensive Health & Safety: Health Equity)
- 2.A (Attainable Housing: Affordable Housing)
- 2.B (Attainable Housing: Community Development)
- 2.C (Attainable Housing: Local Inventory)
- 2.D (Attainable Housing: Homelessness)
- 4.A (Sustainable Environment: Outdoor Experience)

- 5.A (Dynamic Economy: Regional Workforce)
- 5.B (Dynamic Economy: Community Vitality)

Submitted by:

Kathleen Molloy, Planning Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a AHPDA Agreement (MidPen) 17th and Capitola

AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT

By and Between

SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY

and

MP LIVE OAK ASSOCIATES, L.P.

Dated as of January __, 2020

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT

THIS AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT (the “**Agreement**”) is made and entered into as of January __, 2020 (the “**Effective Date**”), by and between the SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY, a public body, corporate and politic (the “**Successor Agency**”), and MP LIVE OAK ASSOCIATES, L.P., a California limited partnership (the “**Developer**”). Successor Agency and Developer are sometimes referred to hereinafter individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Successor Agency is a California entity, established pursuant to Assembly Bill 26 from the 2011-2012 First Extraordinary Session of the California Legislature, to wind up the affairs of, including the disposition of real property owned by, the former Redevelopment Agency of the County of Santa Cruz.

B. Developer is a California limited partnership. Developer was established to develop and operate safe, decent affordable housing in Northern California.

C. Successor Agency owns fee title to certain real property addressed as 1412, 1438, 1500, and 1514 Capitola Road, in the County of Santa Cruz, State of California, as legally described in Attachment No. 1, which is incorporated herein by this reference (the “**Capitola Property**”).

D. Pursuant to the Long Range Property Management Plan prepared by the County of Santa Cruz (the “**County**”), which was approved by the California Department of Finance on August 20, 2014 (the “**LRPMP**”), the Capitola Property was to be retained for future development via a managed sale to maximize sale proceeds and long-term economic and community benefit.

E. In 2017, the County issued a Request for Qualifications (RFQ# 16Q1-007) for disposition of the Property. After review of all of the proposals submitted, County selected MidPen Housing Corporation, a California nonprofit 501(c)(3) corporation (“**MidPen**”) that specializes in the development and operation of affordable housing projects in the State of California, for potential disposition of the Capitola Property for a mixed-use development containing a multifamily affordable housing component, a commercial component that includes a community health clinic and a dental clinic, and an open space component (the “**Capitola Project**”). The sole member/manager of Developer is Mid-Peninsular San Carlos Corporation, a California nonprofit public benefit corporation, which is a wholly controlled affiliate of MidPen.

F. On or about December 5, 2017, (i) Successor Agency and MidPen entered into that certain Exclusive Negotiation Agreement (the “**ENA**”), pursuant to which, among other things, Successor Agency and MidPen agreed to attempt to negotiate an agreement that would set forth the terms and conditions for Successor Agency’s sale of a portion of the Capitola Property to MidPen, a portion of the Capitola Property to Dientes Community

Dental Care, a California nonprofit public benefit corporation and federally-qualified health center sub-recipient (“**Dientes**”), and a portion of the Capitola Property to Santa Cruz Community Health Centers, a California nonprofit public benefit corporation and federally-qualified health care center (“**SCCHC**”); and (ii) the County and MidPen entered into that certain Predevelopment Loan Agreement and Promissory Note, pursuant to which the County agreed to provide to MidPen a loan in an amount up to Three Hundred Fifteen Thousand Five Hundred Eighty-Five Dollars (\$315,585) (the “**Predevelopment Agreement**” or “**Predevelopment Loan**,” as applicable). Each of the ENA and Predevelopment Agreement is available for public inspection at the offices of Successor Agency and County, located at 701 Ocean Street, Santa Cruz, CA 95060.

G. The sale of portions of the Capitola Property to Developer, Dientes, and SCCHC, for such entities’ development and subsequent operation of the respective portions of the Capitola Project on the Capitola Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are (i) in furtherance of Successor Agency’s mandate pursuant to the LRPMP to dispose of the Capitola Property in a manner that maximizes revenue to the taxing entities, and County’s goals to increase the supply of permanent affordable housing in the County of Santa Cruz, (ii) in the vital and best interests of the County and the welfare of its residents, and (iii) in accordance with the public purposes and provisions of applicable federal, state, and local laws and requirements under which the Capitola Project has been undertaken.

H. As further described herein, Successor Agency’s purpose in entering into this Agreement is solely to dispose of the Capitola Property in furtherance of the LRPMP, and all other duties of Successor Agency hereunder are intended to be performed by the County, notwithstanding that the County is not a party to this Agreement and will not legally assume the rights and obligations of Successor Agency hereunder until such time as the Capitola Property has been disposed of pursuant to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing Recitals, which are incorporated herein by this reference, and the mutual promises, covenants, and conditions herein contained, Successor Agency and Developer hereto agree as follows:

1. DEFINITIONS

As used in this Agreement, capitalized terms are defined where first used or as set forth in this Section 1. Capitalized terms used in an attachment attached hereto and not defined therein shall also have the meanings set forth in this Section 1.

“**Affiliate**” mean any “Person,” directly or indirectly, “Controlling” or “Controlled” by or under common “Control” with Developer, whether by direct or indirect ownership of equity interests, by contract or otherwise, where “**Person**” means any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind, “**Control**” means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership

of equity interests, by contract or otherwise, and “**Controlling**” and “**Controlled**” means exercising or having Control.

“**Annual Financial Statement**” means the financial statements prepared by Developer for each calendar year, including a balance sheet, income statement, statement of retained earnings, statement of cash flow, and footnotes thereto, prepared in accordance with generally accepted accounting principles consistently applied, as audited by an independent certified public accountant.

“**Building Permit**” means all permits issued by the County and required for commencement of construction of the Project.

“**Capitola Project**” means (i) Developer’s development of the Project on the Property; (ii) Dientes’ development of the Dientes Component of Capitola Project on the Dientes Condominium; and (iii) SCCHC’s development of the SCCHC Component of Capitola Project on the SCCHC Condominium.

“**Capitola Property**” means that certain real property referred to in Recital A and legally described and depicted in Attachment No. 1, which is attached hereto and incorporated herein by this reference. The Capitola Property comprises approximately three and six tenths (3.6) acres.

“**CDLAC**” means the California Debt Limit Allocation Committee.

“**CEQA**” means the California Environmental Quality Act, Public Resources Code Section 21000, *et seq.*

“**CEQA Claims**” means any appeals or protests (including litigation) taken or filed with respect to Successor Agency or the County’s findings, determinations, and/or certifications pursuant to CEQA in connection with Successor Agency’s approval of this Agreement and in connection with the County’s approval, conditional approval, or denial, of the Land Use Entitlements.

“**Clinic Parcel**” means the legal parcel to be established by the Parcel Map, which legal parcel shall (i) include all portions of the Capitola Property that are not a part of the Property, and (ii) be subdivided into a Condominium development.

“**Clinic Parcel CC&Rs**” means the declaration of covenants, conditions and restrictions for the commercial Condominium project to be located on the Clinic parcel and prepared by the Clinics in connection with the Condominium Plan.

“**Clinics**” means, collectively, SCCHC and Dientes.

“**Close of Escrow**” means recordation of the Grant Deed in the Official Records, conveying the Property to Developer and, except in the event of an early closing permitted pursuant to Section 2.2(a) below, the closing of the Project Financing.

“Common Area” means the entire common interest development located on the Clinic Parcel except the separate interests as shown on the Condominium Plan and described in the Clinic Parcel CC&Rs, which shall be owned by the unit owners as undivided interests-in-common in accordance with California Civil Code Section 6542.

“Condominium” means an estate in real property as defined in California Civil Code Sections 783 and 6542. A Condominium consists of an undivided equal ownership interest in a portion of the real property shown on the recorded Condominium Plan as “common area,” together with a separate ownership interest in a “unit” as shown on the recorded Condominium Plan and as described in the recorded Clinic Parcel CC&Rs.

“Condominium Plan” means a condominium plan to be prepared by the Clinics and processed by Developer through the County to subdivide the Clinic Parcel into a Condominium project with two (2) Condominiums. Provided the Condominium Plan and the Clinic Parcel CC&Rs conform to the requirements of this Agreement, and provided the conveyance and development contemplated thereon are in accordance with this Agreement, Successor Agency agrees to (i) sign and record the Condominium Plan as the fee owner of the Clinic Parcel, (ii) consent to the Clinic Parcel CC&Rs as the owner of the Clinic Parcel, and (iii) execute and record grant deeds for each Condominium. Successor Agency and Developer contemplate that the Condominium Plan will subdivide the Clinic Parcel in the manner depicted in Attachment No. 2, which is attached hereto and incorporated herein by this reference.

“Construction Contract” has the meaning set forth in Section 7.2(f) of this Agreement.

“Construction Lender” means the lender that provides construction financing for the Project. If the Project is financed through issuance of the Tax-Exempt Bonds, then Construction Lender shall be understood to mean the institution or institutions that hold such Tax-Exempt Bonds through the construction period (e.g., until the Conversion Date). The Construction Lender may or may not also be the Take-Out Lender. The Construction Lender shall be an Institutional Lender.

“Construction Loan” means the construction loan for the Project secured by the Construction Loan Security Documents, in the approximate amount of Twenty-Seven Million Dollars (\$27,000,000). If the Project is financed through issuance of the Tax-Exempt Bonds, then Construction Loan shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“Construction Loan Security Documents” means the documents and instruments required by the Construction Lender to secure the Construction Loan.

“Conversion Date” has the meaning set forth in the Construction Loan Security Documents, or, if such term is not defined therein, means the date the Construction Loan converts from a construction loan to a permanent loan.

“Cost Sharing Agreement” means an agreement to be entered into by and among Developer, Dientes, and SCCHC, which provides for the design, construction, and

installation of, and the payment for, the infrastructure required to serve the Capitola Property and Capitola Project, including, without limitation, wet and dry utilities, public streets, drainage facilities, drive aisles, parking and walkway areas, street lighting, and common area landscape and irrigation.

“County” means the County of Santa Cruz, California.

“County Administrative Officer” means the person duly appointed to the position of County Administrative Officer of the County, or his or her designee. The County Administrative Officer shall represent Successor Agency in all matters pertaining to this Agreement. Whenever a reference is made herein to an action or approval to be undertaken by Successor Agency, the County Administrative Officer is authorized to act unless this Agreement specifically provides otherwise or the context should otherwise require.

“County Deed of Trust” means a form of deed of trust encumbering the Property, substantially in the form attached hereto and incorporated herein as Attachment No. 8, to secure repayment of the County Note.

“County/Lender Subordination Agreement” means, with respect to the Close of Escrow, (i) a subordination agreement between the County and the Construction Lender, pursuant to which the County agrees to subordinate the County Deed of Trust to the Construction Loan Security Documents, and the Construction Lender agrees to subordinate the Construction Loan Security Documents to the County Regulatory Agreement, and, with respect to the closing of the Take-Out Loan at conversion, (ii) a subordination agreement between the County and the Take-Out Lender, pursuant to which the County agrees to subordinate the County Deed of Trust to the documents securing the Take-Out Loan, and the Take-Out Lender agrees to subordinate the documents securing the Take-Out Loan to the County Regulatory Agreement.

“County Loan” has the meaning set forth in Section 6.2 of this Agreement.

“County Note” means a promissory note substantially in the form attached hereto and incorporated herein as Attachment No. 7, to be executed by Developer in favor of the County to evidence the obligation of Developer to repay the County Loan.

“County Regulatory Agreement” means a regulatory agreement substantially in the form attached hereto and incorporated herein as Attachment No. 10, which will establish certain restrictive covenants against the Property.

“County Title Policy” has the meaning set forth in Section 7.2(q) of this Agreement.

“Developer” has the meaning set forth in the opening paragraph of this Agreement.

“Developer Title Policy” has the meaning set forth in Section 7.3(f) of this Agreement.

“Dientes” means Dientes Community Dental Care, a California nonprofit public benefit corporation and federally-qualified health center subrecipient.

“Dientes Component of Capitola Project” means Dientes’ development of a two-story dental clinic and administrative offices comprising not less than eleven thousand (11,000) square feet on the Dientes Condominium, and all required on-site improvements necessary to serve the development in accordance with this Agreement.

“Dientes Condominium” means the Condominium (i) to be established pursuant to, and shown on, the Condominium Plan, for development of the Dientes Component of Capitola Project, and (ii) to be described in the Clinic Parcel CC&Rs. Successor Agency and Developer contemplate that the Dientes Condominium shall be (a) established in the manner depicted in Attachment No. 2, and (b) deeded by Successor Agency to Dientes.

“Escrow” means the escrow through which the Close of Escrow is conducted.

“Escrow Holder” means Old Republic Title Insurance Company, with its offices located at 555 12th St., Oakland, CA 94607, or such other escrow company as may be agreed to by Developer and the County Administrative Officer.

“Event of Default” has the meaning set forth in Section 13.1 of this Agreement.

“Final Construction Documents” means the final plans, drawings and specifications upon which the Building Permit is issued.

“General Contractor” has the meaning set forth in Section 7.2(e) of this Agreement.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, requirements, orders and decrees, of the United States, the State of California, the County of Santa Cruz, and of any other political subdivision, agency or instrumentality exercising jurisdiction over Successor Agency, Developer, the Property, and/or the Project, including common law.

“Grant Deed” means a grant deed pursuant to which Successor Agency will convey the Property to Developer, substantially in the form attached hereto and incorporated herein as Attachment No. 5.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “acutely hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501

of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., (xii) methyl-tertiary butyl ether, (xiii) perchlorate or (xiv) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment. For purposes hereof, “Hazardous Materials” excludes materials and substances in quantities as are commonly used in the construction and operation of an apartment complex, provided that such materials and substances are used in accordance with all applicable laws.

“Hazardous Materials Contamination” means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time emanating from the Property.

“HCD” means the State Department of Housing and Community Development.

“HUD” means the United States Department of Housing and Urban Development.

“Indemnitees” means Successor Agency, the County, and their respective directors, officers, officials, members, employees, representatives, agents and volunteers.

“Institutional Lender” means any of the following institutions having assets or deposits in the aggregate of not less than One Hundred Million Dollars (\$100,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an “incorporated admitted insurer” (as that term is used in Section 1100.1 of the California Insurance Code); a “foreign (other state) bank” (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Sections 2600 et seq. of the California Financial Code); a “foreign (other nation) bank” provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or a subsidiary of a bank holding

company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker; college or university; pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; and a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange. Each of Wells Fargo and Union Bank are hereby deemed to be an Institutional Lender.

“Investor” means the limited partner of the Partnership.

“Joint Development, Easement, Joint Use, License and Maintenance Agreement” means an agreement to be entered into by and among Developer, Dientes, and SCCHC, pursuant to which each of Developer, Dientes, and SCCHC shall grant to the other parties, amongst other things, pedestrian and vehicular easements over the common area portions of the Capitola Property owned by such party.

“Land Use Entitlements” has the meaning set forth in Section 4 of this Agreement.

“Land Use Entitlements Approval Date” means the date that all of the Land Use Entitlements have been approved by each required governmental agency with jurisdiction over the Property and/or the construction of the Project, and all appeal and protest periods have expired with no appeals or protests (including litigation) taken or filed (**“Land Use Entitlement Claims”**), or, if any are so taken or filed, then upon the resolution of the Land Use Entitlement Claims upon terms acceptable to each of the County and Developer, each in their respective sole and absolute discretion.

“MidPen” means MidPen Housing Corporation, a California nonprofit public benefit corporation.

“Notice of Affordability” means a Notice of Affordability Restrictions on Transfer of Property substantially in the form attached hereto and incorporated herein as Attachment No. 11, to be executed by County and Developer and recorded in the Official Records to notify members of the public regarding the affordability restrictions for the Project.

“Notices” has the meaning set forth in Section 14 of this Agreement.

“NPDES” means the National Pollutant Discharge Elimination System.

“Official Records” means the Official Records of the County.

“Outside Closing Date” means the earlier of (i) the TCAC deadline to meet the readiness to proceed requirements, as provided to Developer by TCAC upon Developer’s receipt of an allocation of Tax Credits from TCAC, and (ii) December 31, 2021.

“Parcel Map” means a parcel map to be prepared by Developer and processed by Developer through the County to establish the Capitola Property as two legal parcels, with one of such legal parcels to comprise the Property, and the other of such legal parcels to comprise the Clinic Parcel. The Parcel Map will provide that the Clinic Parcel is for condominium purposes. Provided the Parcel Map conforms to the requirements of this Agreement, and the conveyances and development contemplated pursuant to this Agreement, Successor Agency agrees to sign the Parcel Map as the fee owner of the Capitola Property. Successor Agency and Developer contemplate that the Parcel Map will subdivide the Capitola Property in the manner depicted in Attachment No. 2.

“Partnership Agreement” means Developer’s partnership agreement.

“Permitted Encumbrances” means the Construction Loan Security Documents and such other exceptions to title approved by the Planning Director.

“Phase 1” means that certain Phase I Environmental Assessment prepared for the portion of the Property located at 1438 Capitola Road, by Remediation Risk Management, Inc., dated June 6, 1994.

“Planning Director” means the person duly appointed to the position of Planning Director of the County, or his or her designee. At such time as Successor Agency assigns all of its rights and obligations under this Agreement to the County, pursuant to the Successor Agency/County Assignment, (i) all references in this Agreement to the County Administrative Officer shall be deemed to refer instead to the Planning Director, (ii) the Planning Director shall represent the County in all matters pertaining to this Agreement, and (iii) whenever a reference is made herein to an action or approval to be undertaken by the County (as the successor-in-interest to Successor Agency), the Planning Director is authorized to act unless this Agreement specifically provides otherwise or the context should otherwise require.

“Project” means Developer’s development of an affordable rental housing development consisting of fifty-seven (57) residential rental dwelling units (with one of such units an unrestricted manager’s unit), a community center, open space, and all required on-site improvements necessary to serve the development in accordance with this Agreement, including, without limitation, in accordance with the Scope of Development, the Land Use Entitlements, and the Final Construction Documents.

“Project Architect” means Wald, Ruhnke & Dost, or such other architect or architectural firm as may be approved by the County Administrative Officer.

“Project Budget” shall mean that certain budget attached hereto and incorporated herein as Attachment No. 9.

“Project Costs” means all costs of any nature incurred in connection with the planning, design, and development of the Project.

“Project Documents” means, collectively, this Agreement, the County Note, the County Deed of Trust, the County Regulatory Agreement, the Notice of Affordability, and

any other agreement, document or instrument that Developer and Successor Agency or Developer and County (as applicable) enter into pursuant to this Agreement or in order to effectuate the purposes of this Agreement.

“Project Financing” has the meaning set forth in Section 6.1 of this Agreement.

“Property” means the legal parcel to be established for development of the Project pursuant to the Parcel Map. The Parties contemplate the Property will be established in the manner depicted in Attachment No. 2.

“Purchase Price” means the purchase price to be paid by Developer to Successor Agency for the purchase of the Property, which is Two Million Eight Hundred Fifty Thousand Dollars (\$2,850,000). The Purchase Price and the purchase price for each of the SCCHC Condominium and Dientes Condominium were determined pursuant to data set forth in that certain Appraisal Report dated December 3, 2018, prepared by Valbridge Property Advisors, an MAI appraiser.

“Release of Construction Covenants” means a release document substantially in the form attached hereto and incorporated herein as Attachment No. 12, to be executed by the County and recorded in the Official Records against the Property upon Developer’s completion of the Project, as described in Section 10.15.

“Remedial Action Summary Report” means that certain Remedial Action Summary Report prepared for the portion of the Property located at 1438 Capitola Road, by Remediation Risk Management, Inc., dated October 3, 1994.

“Request for Notice” has the meaning set forth in Section 7.2(o) of this Agreement.

“SCCHC” means Santa Cruz Community Health Center, a California nonprofit public benefit corporation and federally-qualified health center.

“SCCHC Component of Capitola Project” means SCCHC’s development of a two-story health care clinic comprising not less than nineteen thousand (19,000) square feet on the SCCHC Condominium, and all required on-site improvements necessary to serve the development in accordance with this Agreement.

“SCCHC Condominium” means the Condominium (i) to be established pursuant to, and shown on, the Condominium Plan, for development of the SCCHC Component of Capitola Project, and (ii) to be described in the Clinic Parcel CC&Rs. Successor Agency and Developer contemplate that the SCCHC Condominium shall be (a) established in the manner depicted in Attachment No. 2, and (b) deeded by Successor Agency to SCCHC.

“Schedule of Performance” means the Schedule of Performance attached hereto and incorporated herein as Attachment No. 3.

“Scope of Development” means the Scope of Development attached hereto and incorporated herein as Attachment No. 4.

“Sources and Uses of Funds Statement” means the Sources and Uses of Funds statement attached to the Project Budget.

“Successor Agency” means the Santa Cruz County Redevelopment Successor Agency, a public body, corporate and politic.

“Successor Agency/County Assignment” has the meaning set forth in Section 15.3 of this Agreement.

“Take-Out Lender” means the lending institution that makes the Take-Out Loan. If the Project is financed through issuance of Tax-Exempt Bonds, then Take-Out Lender shall be understood to mean the institution that holds or institutions that hold such Tax-Exempt Bonds from and after the construction period (e.g., from and after the Conversion Date). The Take-Out Lender may or may not also be the Construction Lender. The Take-Out Lender shall be an Institutional Lender.

“Take-Out Loan” means the long-term loan made by the Take-Out Lender to Developer in order to take out the Construction Loan. If the Project is financed through issuance of Tax-Exempt Bonds, then Take-Out Loan shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“Tax Credits” has the meaning set forth in Section 6.1(b) of this Agreement.

“Tax Credit Program” means the low-income housing tax credit program authorized pursuant to Internal Revenue Code Section 42, California Health and Safety Code Sections 50199.6-50199.19, Revenue and Taxation Code Sections 17057.5, 17058, 23610.4, 23610.5, and applicable federal and State regulations such as 4 California Code of Regulations Sections 10300-10340.

“Tax-Exempt Bonds” means tax-exempt multifamily housing revenue bonds.

“TCAC” means the California Tax Credit Allocation Committee.

“Title Company” means Old Republic Title Insurance Company, with its offices located at 555 12th Street, Oakland, CA 94607, or such other title insurance company as may be agreed to by Developer and the County Administrative Officer.

2. STRUCTURE OF TRANSACTION AND RELATIONSHIP OF PARTIES

2.1 Limited Third Party Rights. The Parties acknowledge and agree that although the Capitola Project contemplates development of the Dientes Component of Capitola Project and the SCCHC Component of Capitola Project, Developer is the only named developer party to this Agreement, and with the exception of the terms and conditions set forth in this Section 2, neither Dientes nor SCCHC shall have any third party rights under this Agreement. Each of Dientes and SCCHC shall be deemed a third party beneficiary of the terms and conditions set forth in this Section with the right, but not the obligation, to enforce said terms and conditions. Notwithstanding the foregoing third party beneficiary rights of the Clinics, however, (i) prior to the Close of Escrow, Successor

Agency retains all rights pursuant to this Agreement to terminate this Agreement, and neither of the Clinics shall have any right, in law or in equity, to challenge any such termination, (ii) if this Agreement is terminated prior to the Close of Escrow, then neither Dientes nor SCCHC shall have any right, at law or in equity, to require Successor Agency to transfer any portion of the Capitola to the respective entity, and (iii) unless and until the Close of Escrow occurs pursuant to the terms of this Agreement, neither Dientes nor SCCHC shall have any right, in law or in equity, to require Successor Agency to transfer any portion of the Capitola Property to the respective entity.

2.2 Early Closing; Partial Termination of Agreement.

(a) This Agreement primarily addresses the transfer and sale of the Property to Developer, and Developer's development and operation of the Project on the Property. In the event, however, that the conditions set forth below in this Section 2.2(a) have been satisfied, or waived by Successor Agency, then Successor Agency shall permit the Close of Escrow to occur, notwithstanding that Developer has not satisfied all of Successor Agency's conditions to closing set forth in Section 7.2. In such event, concurrently with the Close of Escrow and subject to the terms of Section 2.3 below, Successor Agency shall convey to Dientes the Dientes Condominium for a purchase price of Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500), and to SCCHC the SCCHC Condominium for a purchase price of Three Hundred Thirty-Seven Thousand Five Hundred Dollars (\$337,500).

(i) Organizational Documents. The Planning Director shall have received and approved a copy of such portions of the organizational documents of the Clinics as the Planning Director deems reasonably necessary to document the power and authority of the Clinics to perform their obligations as set forth in their respective "Subsequent Agreement" (as that term is defined in Section 2.3 below). Each of the Clinics shall have made full disclosure to the Planning Director of the names and addresses of all persons and entities that have a beneficial interest in each respective Clinic.

(ii) Insurance. Each of the Clinics shall have submitted to the Planning Director and the Planning Director shall have approved the Clinics' evidence of the liability insurance required pursuant to Section 10.6 hereof.

(iii) Land Use Entitlements. The County shall have approved all land use entitlements for each of the Dientes Component of Capitola Project and SCCHC Component of Capitola Project, each of the Clinics shall have approved or be deemed to have approved the same, including without limitation all terms and conditions applicable thereto, and the time period for challenges thereto shall have lapsed without any challenges having occurred.

(iv) Evidence of Financing. The Planning Director shall have received and reasonably approved commitments from all financing sources

for the Dientes Component of Capitola Project and SCCHC Component of Capitola Project, as evidenced by letters of commitment and/or true and complete copies of loan documents.

(v) General Contractor. The general contractor for the Dientes Component of Capitola Project and SCCHC Component of Capitola Project (the “**Clinics’ General Contractor**”) shall have been approved by the Planning Director.

(vi) Construction Contract. The Planning Director shall have received a true and complete copy of a contract(s) by and between the Clinics and the Clinics’ General Contractor pursuant to which the Clinics’ General Contractor has agreed to construct the Dientes Component of Capitola Project and SCCHC Component of Capitola Project at a cost consistent with the costs set forth therefor in a budget provided to and approved by the Planning Director (the “**Clinics’ Construction Contract**”) and the Planning Director shall have approved said Clinics’ Construction Contract.

(vii) Final Construction Documents. The Planning Director shall have approved the final construction documents for the Dientes Component of Capitola Project and SCCHC Component of Capitola Project, and the Planning Director shall have received a full set thereof.

(viii) Completion Bond. If the Clinics’ Construction Lender (if any) requires that a completion bond be posted by the Clinics’ General Contractor, then such completion bond shall name the County as a co-obligee.

(ix) Completion Guaranty. If the Clinics’ Construction Lender (if any) requires a completion guaranty from the Clinics, then the County shall have also received a completion guaranty from the Clinics in similar form and content.

(x) Building Permit. The building permit for the each of the Dientes Component of Capitola Project and SCCHC Component of Capitola Project shall have issued or shall be ready to issue subject only to the payment of applicable fees, the posting of required security, or both.

(xi) Construction to Commence. The Planning Director shall be reasonably satisfied that construction of the Dientes Component of Capitola Project and SCCHC Component of Capitola Project will commence not later than thirty (30) days after the Close of Escrow, and thereafter will be pursued to completion in a diligent and continuous manner.

(xii) Assignment of Final Construction Documents. The Clinics shall have conditionally assigned to the County their respective final construction documents for the Dientes Component of Capitola Project and

SCCHC Component of Capitola Project by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, which assignment shall be subordinated to any pledge or assignment to the Clinics' Construction Lender (if any). Each of the Clinics shall have also delivered to the Planning Director the written consent of the other party to each such final construction document to said assignment in the form included as part of said Attachment No. 6, including, without limitation, to the use by the County of said final construction documents, as well as the ideas, designs, and concepts contained within them.

(xiii) Assignment of Construction Contract. The Clinics shall have conditionally assigned to the County their respective Clinics' Construction Contract by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, including obtaining the consent thereto of the Clinics' General Contractor, which assignment shall be subordinated to any pledge or assignment to the Clinics' Construction Lender.

(xiv) Request for Notice of Default. Escrow Holder shall be ready to record a request for notice of default pursuant to Civil Code Section 2924(b), requesting that any beneficiaries of liens securing the Clinics' project financing notify the County of any default under the instrument creating the lien (if any) (the "**Request for Notice**").

(xv) Documents Executed. Each of the Clinics shall have duly executed their respective Subsequent Agreement and all documents required pursuant thereto to be executed, with signatures acknowledged (as applicable) and deposited them into Escrow.

(xvi) Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement. Each of the Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement shall have been fully executed in forms approved by the Planning Director, for recordation at the Close of Escrow.

(xvii) Licensing. Each of the Clinics shall have obtained all licenses, approvals and permits required to operate and provide the dental and/or medical (as applicable) services contemplated by this Agreement.

(b) The conditions set forth in paragraph (a) above are for Successor Agency's benefit only and the County Administrative Officer may waive all or any part of such rights by written notice to Developer, which Developer shall promptly provide to the Clinics.

(c) If either of the Clinics has not performed the following tasks by the respective timeframes set forth below, then all provisions in this Agreement related to the Dientes Component of Capitola Project and the SCCHC Component of Capitola Project

shall automatically terminate and be of no further force or effect, and Successor Agency and Developer shall meet and confer, and consult with the County, to discuss potential options for the disposition and development of the Clinic Parcel. If within six (6) months after the automatic termination described in the foregoing sentence Developer and Successor Agency, after consultation with the County, have not reached agreement on any potential option for the disposition and development of the Clinic Parcel, then (i) the Clinic Parcel shall be released from this Agreement, and (ii) at such time as Successor Agency conveys the Property to Developer, Successor Agency shall reasonably cooperate with Developer with respect to any easements reasonably necessary to enable Developer to construct and operate the Project.

<u>Timeframe</u>	<u>Task</u>
September 2019	Submit to County and obtain County approval of financial proforma
October 2019	Submit to County and obtain County approval of SCCHC/Dientes Operating Agreement
January 2020	Submit applications for building permit to County
June 2020	Satisfy all County conditions to closing and acquire applicable parcel

The County Administrative Officer, after consultation with the Planning Director, shall have authority, in his or her sole and absolute discretion, to grant an extension to any of the timeframes set forth in this paragraph (c) pursuant to authority in Section 16 below.

2.3 Execution of Agreements with Clinics at Close of Escrow. Except with respect to the Close of Escrow pursuant to paragraph (c) of Section 2.2 above, at the Close of Escrow, each of Dientes and SCCHC shall be required to execute a separate agreement that includes requirements pertaining to their respective developments that are substantially similar to the requirements herein (each, a “**Subsequent Agreement**”). Any such Subsequent Agreement shall include a schedule, a scope of development, and a recordable regulatory agreement, and shall require development in accordance with all applicable plans, permits, and land use entitlements issued and/or approved in connection with the Dientes Component of Capitola Project or SCCHC Component of Capitola Project (as applicable). Notwithstanding anything to the contrary contained herein, upon the Close of Escrow: (i) all provisions under this Agreement related to Dientes, SCCHC and/or the Clinic Parcel shall terminate and be of no further force or effect; (ii) any default under any Subsequent Agreement and/or the Clinic CC&Rs shall not be a default under this Agreement or under any agreement between the County and Developer related to the Property or the Project; (iii) Developer shall be released from any and all liability and claims related to the Clinic Parcel; and (iv) any indemnifications

provided by Developer under this Agreement or any related agreements shall only apply to the Project and Property and not to the Clinic Parcel.

3. SCHEDULE OF PERFORMANCE

The Schedule of Performance sets forth the times by which the parties are required to perform certain obligations set forth in this Agreement.

4. LAND USE ENTITLEMENTS

Within the time set forth in the Schedule of Performance, Developer shall submit to the County and thereafter diligently process an application or applications for all discretionary governmental permits as may be necessary to allow Developer to develop the Project in the manner required by this Agreement including, without limitation, a Planned Unit Development and a Design Permit (collectively, the “**Land Use Entitlements**”). Successor Agency, without any cost or expense to Successor Agency other than as may be expressly provided in the Project Budget, agrees to reasonably assist Developer to secure said Land Use Entitlements. Notwithstanding the foregoing, Successor Agency shall sign, as the “Owner,” all such applications to be submitted by Developer pursuant to this paragraph.

The approval of this Agreement by Successor Agency shall not constitute a pre-commitment by Successor Agency or the County or the County Board of Supervisors regarding any approvals required for development of the Project, including, without limitation, all required analysis under CEQA. Developer obtains no right or entitlement to construct the Project by virtue of this Agreement. The County retains unfettered discretion to approve, conditionally approve, or deny any entitlements and/or other approvals required for the Project and all proceedings and decisions in connection therewith. This Agreement shall not be construed as a grant of development rights or land use entitlements to construct the Project on the Property. All design, architectural, and building plans for the Project shall be subject to the review and approval of the County and any other governmental agency with jurisdiction over the Property and/or Project. By its execution of this Agreement, Successor Agency is not committing itself or the County to or agreeing to undertake any acts or activities requiring the subsequent independent exercise of discretion by the County or any agency or department thereof.

Within ten (10) days after the County takes final action with respect to all of the Land Use Entitlements, Developer shall notify the County in writing whether Developer approves or disapproves the Land Use Entitlements, including all of the terms and conditions pertaining thereto. Any disapproval shall be in writing and shall state the reasons therefor. If Developer fails to timely notify the County in writing of Developer’s approval or disapproval of the Land Use Entitlements, Developer shall be conclusively deemed to have approved the same. If Developer timely disapproves the Land Use Entitlements, this Agreement shall be terminated unless the parties mutually agree to approve an extension of time for reconsideration of the County’s actions with respect to the Land Use Entitlements, with each party reserving the right to approve or disapprove the same in its sole and absolute discretion.

If any Land Use Entitlement Claims and/or CEQA Claims are taken or filed, then Developer shall have the right to elect to either defend the same or not defend the same, at Developer's cost, including, without limitation, all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. If Developer elects to so defend the same, then Developer shall appoint counsel and direct strategy; provided, however, that such counsel shall be acceptable to Successor Agency and County in each of their reasonable discretion. If Developer elects not to so defend, then either Successor Agency or Developer shall have the right to terminate this Agreement.

5. DUE DILIGENCE PERIOD; PERMISSION TO ENTER PROPERTY; AS-IS; PHYSICAL AND ENVIRONMENTAL CONDITION

5.1 Due Diligence Period. Successor Agency shall permit Developer and Developer's representatives and agents to enter onto the Property commencing on the Effective Date and continuing for a period of sixty (60) days thereafter ("**Due Diligence Period**"), for purposes of enabling Developer to examine, inspect, and investigate the physical and environmental condition of the Property, including any foundations, soil, subsurface soils, drainage, seismic and other geological and topographical matters, location of asbestos, toxic substances, Hazardous Materials, if any, and, at Developer's sole and absolute discretion, to enable Developer to determine whether the Property is acceptable to Developer and suitable for Developer's intended use; provided, however, in no event shall Developer conduct any intrusive testing procedures on the Property without the prior written consent of Successor Agency, which consent may not be unreasonably delayed or withheld. Developer and Developer's representatives and agents shall also be entitled to enter onto the Property to conduct additional examinations and investigations at any time after expiration of the Due Diligence Period and through the Close of Escrow.

As a condition to Developer's entry onto the Property prior to the Close of Escrow, whether before or after the expiration of the Due Diligence Period, Developer shall provide to Successor Agency a copy of all reports, studies and test results prepared by Developer's consultants, without representation or warranty. Developer shall notify Successor Agency, in writing, at least twenty-four (24) hours prior to any entry by Developer or Developer's representatives on the Property. Successor Agency shall have the right, but not the obligation, to accompany Developer during such investigations. As an additional condition of such entry, Developer shall (i) conduct all work or studies in a diligent, expeditious, and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after the investigation; (ii) obtain any required governmental permits and comply with all applicable laws and governmental regulations; (iii) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; (iv) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) for all persons entering the Property in the amounts required by the State of California; and (v) provide to Successor Agency prior to initial entry a certificate of insurance evidencing that Developer and/or the persons entering the Property have procured and have in effect

commercial general liability insurance that satisfies the requirements set forth in Section 10.6 hereof. Developer shall, in a timely manner, repair any and all damage to the Property caused by such inspections or investigations and shall indemnify, defend, and hold harmless the Indemnitees from and against any claims, liabilities, and losses arising from the entries of Developer and its representatives and agents on the Property pursuant to this Section 5.1, except to the extent that such claims, liabilities, and losses arise out of the intentional misconduct, active negligence, or illegal actions of any of the Indemnitees.

Notwithstanding Developer's right to enter the Property after expiration of the Due Diligence Period pursuant to the second sentence in the first paragraph of this Section 5.1, Developer shall notify Successor Agency in writing on or before the expiration of the Due Diligence Period of Developer's approval or disapproval of the physical and environmental condition of the Property and Developer's investigations with respect thereto. If Developer notifies Successor Agency of disapproval, such notification shall be accompanied by a statement of reasons. Developer's notification of disapproval shall stay the Due Diligence Period for a period of ten (10) days to allow for the Parties to meet and confer. During such meet and confer period, the Parties shall attempt in good faith to address the issues raised in the statement of reasons. Unless the Parties agree on a resolution of the issues raised in the statement of reasons or to extend in writing the Due Diligence Period, Developer's delivery of the notice of disapproval shall constitute Developer's election to terminate this Agreement and cancel the Escrow. Developer's failure to deliver notice of disapproval, accompanied by a statement of reasons, to Successor Agency on or before the expiration of the Due Diligence Period shall be conclusively deemed Developer's approval thereof.

Should Dientes and/or SCCHC desire to enter and inspect the Clinic Parcel, Developer shall direct the respective entity to contact the County Administrative Officer and request such access, whereupon Successor Agency agrees to permit such access pursuant to a written agreement to be entered into by and between Successor Agency and the respective entity, in a form provided by Successor Agency legal counsel.

5.2 "AS-IS"; Release. Developer acknowledges and agrees that it has been provided with copies of the Phase 1 and Remedial Action Summary Report, and that Developer is acquiring the Property from Successor Agency solely in reliance on its own investigation, and that no representations and/or warranties of any kind whatsoever, express or implied, have been made by any of the Indemnitees.

AS A MATERIAL PART OF THE CONSIDERATION FOR SUCCESSOR AGENCY'S AGREEMENT TO SELL THE PROPERTY TO DEVELOPER, DEVELOPER AGREES THAT AS OF CLOSE OF ESCROW DEVELOPER WILL ACCEPT THE PROPERTY "AS IS" AND "WHERE IS", WITH ALL FAULTS. EXCEPT AS OTHERWISE SET FORTH HEREIN AND SUBJECT TO APPLICABLE CALIFORNIA LAW, NO WARRANTY OR REPRESENTATION IS MADE BY SUCCESSOR AGENCY OR THE COUNTY WITH RESPECT TO THE PROPERTY AS TO (I) FITNESS FOR ANY PARTICULAR PURPOSE, (II) MERCHANTABILITY, (III) CONDITION, (IV) ABSENCE OF DEFECTS OR FAULTS, (V) ABSENCE OF HAZARDOUS OR TOXIC

PHYSICAL, ENVIRONMENTAL, ECONOMIC USE, COMPLIANCE AND LEGAL CONDITION OF THE PROPERTY.

As of the Close of Escrow, Developer will be deemed to have waived and released Successor Agency of and from any and all claims, causes of action, damages or losses that may be incurred by Developer concerning the condition of the Property, whether known or unknown as of the Close of Escrow, except for a breach or default by Successor Agency of its obligations under this Agreement or any fraud or intentional misrepresentation by Successor Agency. Such waiver will be deemed to be a release of all rights held by Developer under California Civil Code §1542, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Developer Initials

ADF

5.3 Developer Indemnity. Developer shall save, protect, defend, indemnify, and hold harmless the Indemnitees from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses (including, without limitation, consultants' fees, investigation and laboratory fees, reasonable attorneys' fees and remedial and response costs) (the foregoing are hereinafter collectively referred to as "**Liabilities**") which may now or in the future be incurred or suffered by any of the Indemnitees by reason of, resulting from, in connection with, or existing in any manner whatsoever as a direct or indirect result and to the extent of (i) Developer's failure to comply with all applicable Governmental Requirements; (ii) Developer's failure to comply with any permit issued pursuant to the NPDES, and applicable to the Project and/or Property; (iii) Developer's placement on or under the Property of any Hazardous Materials or Hazardous Materials Contamination; (iv) Developer's breach of its obligations under Section 5.4 or Section 5.5 hereinafter; or (iv) any Liabilities incurred after the Close of Escrow under any Governmental Requirements relating to the acts described in the foregoing clauses (i), (ii), (iii) and (iv). Except for obligations assumed by Developer in Section 5.4 and Section 5.5 hereinafter, Developer shall have no indemnity obligation to any of the Indemnitees for any Liabilities arising from or related to Successor Agency's failure to comply with any Governmental Requirements, whether known or unknown, that existed or arose prior to the Close of Escrow regardless of when such Liabilities may accrue.

5.4 Duty to Prevent Hazardous Material Contamination. Developer shall take commercially reasonable actions to prevent the exacerbation of an existing release of any Hazardous Materials located on the Property and the release of new Hazardous Materials to the Property after the Close of Escrow. For the avoidance of ambiguity only, nothing in the previous sentence shall limit Developer from maintaining Hazardous Materials existing on the Property prior to the Close of Escrow or consolidating such Hazardous Materials on the Property, all to the extent permitted by law. Developer's duty to prevent

5.4 Duty to Prevent Hazardous Material Contamination. Developer shall take commercially reasonable actions to prevent the exacerbation of an existing release of any Hazardous Materials located on the Property and the release of new Hazardous Materials to the Property after the Close of Escrow. For the avoidance of ambiguity only, nothing in the previous sentence shall limit Developer from maintaining Hazardous Materials existing on the Property prior to the Close of Escrow or consolidating such Hazardous Materials on the Property, all to the extent permitted by law. Developer's duty to prevent Hazardous Materials Contamination shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Developer shall comply with any state or local Government Requirements pertaining to apartment complexes in Santa Cruz County, California, as respects the disclosure, permitting, notification, storage, use, removal, and disposal of Hazardous Materials.

5.5 Obligation to Remediate Premises. All final reports prepared by environmental consultants documenting the results of environmental assessments of the Property performed by Developer shall be submitted to the Department of Toxic Substances Control for review promptly upon completion. Developer acknowledges that, prior to the Close of Escrow, Developer shall have no obligation to undertake any action to address or respond to Hazardous Materials present on, under, or about the Property regardless of when the Hazardous Materials first occurred or when they were first discovered. After the Close of Escrow, any remediation, investigation, mitigation or other response action (collectively "**Response Action**") shall be performed by Developer at Developer's sole cost and expense without any reimbursement from Successor Agency or the County, including (i) all Response Actions required by any federal, state, regional, or local governmental agency or political subdivision or to fulfill any Governmental Requirements and (ii) all actions necessary to use the Property for the purposes contemplated by the Regulatory Agreement and this Agreement; and in either case (i) or (ii), regardless of whether the Hazardous Materials or Hazardous Materials Contamination that is the subject of such Response Action arose before or after the Close of Escrow and regardless of when it was first discovered. Such Response Actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies, risk assessments or other reports, and the performance of any cleanup, remedial, removal, mitigation or restoration work.

5.6 Environmental Inquiries. Developer, when it has received any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, or cease and desist orders related to Hazardous Materials or Hazardous Materials Contamination from any governmental agency, or when Developer is required to report to any governmental agency any violation or potential violation of any Governmental Requirement pertaining to Hazardous Materials or Hazardous Materials Contamination (collectively, "**Environmental Inquiries**"), shall concurrently notify the Planning Director, and provide to him/her a copy or copies of the Environmental Inquiries.

In the event of a release of any Hazardous Materials at the Property by Developer into the environment in violation of law, Developer shall, as soon as possible after it becomes aware of the release, furnish to the Planning Director a notification that the release occurred and a copy of any and all test results and final reports relating thereto

and copies of all correspondence with governmental agencies relating to the release. Upon request of the Planning Director, Developer shall furnish to the Planning Director a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits, test results and final reports, including, without limitation, those reports and other matters which may be characterized as confidential. For the avoidance of ambiguity only, Developer shall be under no obligation to furnish any attorney-client privileged documents; provided, however, that Developer may not withhold from Planning Director facts regarding a violation of law that affects the Property.

5.7 Materiality. Developer acknowledges and agrees that the defense, indemnification, protection and hold harmless obligations of Developer for the benefit of Successor Agency set forth in this Agreement are a material element of the consideration to Successor Agency under this Agreement, and that Successor Agency would not have entered into this Agreement unless Developer's obligations were as provided for herein.

5.8 Review of Title of Site. Within thirty (30) days after the Effective Date, Successor Agency shall cause the Title Company to deliver to Developer a standard preliminary title report dated no earlier than the Effective Date (the "**Preliminary Title Report**") with respect to the title to the Property, together with legible copies of the documents underlying the exceptions ("**Title Exceptions**") set forth in the Preliminary Title Report. Developer shall have the right to approve or disapprove the Title Exceptions and any proposed encumbrances to the Property in the exercise of its sole discretion; provided, however, that Developer hereby approves the following Title Exceptions:

- (a) The standard printed exceptions and exclusions contained in the Preliminary Title Report.
- (b) The lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow).
- (d) All documents to be recorded at the Close of Escrow pursuant to this Agreement.

Developer shall have fifteen (15) days after the later of (i) the date of its receipt of the Preliminary Title Report, or (ii) the date Developer receives the documents underlying the Title Exceptions, to give written notice to Successor Agency and Escrow Holder of Developer's approval or disapproval of any of such Title Exceptions. Developer's failure to give written disapproval of any of the Title Exceptions in the Preliminary Title Report within such time limit shall be deemed Developer's approval of the Preliminary Title Report. If Developer notifies Successor Agency of its disapproval of any Title Exceptions in the Preliminary Title Report, Successor Agency shall have the right, but not the obligation, to remove any such disapproved Title Exceptions within thirty (30) days after receiving written notice of Developer's disapproval or provide assurances satisfactory to Developer that such disapproved Title Exception(s) will be removed on or before the Close of Escrow. If Successor Agency cannot or does not agree to remove any of the disapproved Title Exceptions before the Close of Escrow, Developer shall have fifteen

(15) days after the expiration of such thirty (30) day period to either give Successor Agency written notice that Developer elects to proceed with the acquisition of the Property subject to the disapproved Title Exceptions or to give Successor Agency written notice that Developer elects to terminate this Agreement. Developer's failure to give written notice of its election within such fifteen (15) day period shall be deemed to be an election to proceed with the purchase of the Property subject to the disapproved Title Exceptions. The condition of title, including all of the Title Exceptions approved (or deemed approved) by Developer as provided herein shall hereinafter be referred to as the "**Condition of Property Title.**" From and after the Effective Date hereof, and continuing until the earlier of (i) the Close of Escrow, or (ii) termination of this Agreement, Successor Agency shall not further encumber the Property with additional Title Exceptions without Developer's prior written consent. Developer shall have the right to approve or disapprove, in its sole discretion, any further Title Exceptions reported by the Title Company after Developer has approved the Condition of Property Title (which are not created by Developer). Developer and the County Administrative Officer, on behalf of Successor Agency, shall have the authority to extend the foregoing fifteen (15) day period by written agreement.

Within thirty (30) days after the Effective Date, Successor Agency shall cause the Title Company to deliver to Developer (i) a standard preliminary title report dated no earlier than the Effective Date (the "**Dientes Preliminary Title Report**") with respect to the title to the Dientes Condominium, or if the Title Company is unable to prepare a title report that is limited to the Dientes Condominium, then for the Clinic Parcel or Capitola Property, together with legible copies of the documents underlying the exceptions ("**Dientes Title Exceptions**") set forth in the Dientes Preliminary Title Report, and (ii) a standard preliminary title report dated no earlier than the Effective Date (the "**SCCHC Preliminary Title Report**") with respect to the title to the SCCHC Condominium, or if the Title Company is unable to prepare a title report that is limited to the SCCHC Condominium, then for the Clinic Parcel or Capitola Property, together with legible copies of the documents underlying the exceptions ("**SCCHC Title Exceptions**") set forth in the SCCHC Preliminary Title Report. Upon Developer's receipt of the Dientes Preliminary Title Report or SCCHC Preliminary Title Report, the provisions in this Section 5.8 shall be applicable to said report.

6. FINANCING PLAN FOR THE PROJECT

6.1 Financing Plan. It is contemplated that Developer will finance the Project (the "**Project Financing**") through a combination of funds from the proceeds of the following:

- (a) Construction Loan. The Construction Loan;
- (b) Tax Credits. Developer equity, consisting of equity raised by the syndication to reputable investors of state and/or federal low-income housing credit and obtained pursuant to 26 U.S.C. §42 (the "**Tax Credits**");
- (c) Take-Out Loan. The Take-Out Loan; and

(d) County Loan. The County Loan, as more particularly provided in Section 6.2 below.

Notwithstanding the foregoing, Developer shall continue to use commercially reasonable efforts to pursue additional sources of funds that may be available to assist with the costs of developing the Project, including, without limitation, funds from multiple programs administered by HCD.

6.2 County Loan. Subject to the terms and conditions of this Agreement, Successor Agency agrees to use commercially reasonable efforts to cause the County to make a loan to Developer, utilizing County housing funds, in the collective amount of (i) the Purchase Price (which amount Developer acknowledges shall be deemed to have been funded upon Successor Agency's conveyance of the Property to Developer) (the "**Purchase Price Loan**"), and (ii) Two Million One Hundred Fifty Thousand Dollars (\$2,150,000), for disbursement to Developer for costs Developer incurs to develop the Project, pursuant to the disbursement process set forth below (the "**Development Loan**"). Developer acknowledges that the County provided the Predevelopment Loan to MidPen pursuant to the Predevelopment Agreement, and as set forth in the Predevelopment Agreement, the principal amount of the Predevelopment Loan is to be added to, and repaid pursuant to the repayment terms of, the Purchase Price Loan and Development Loan. The Purchase Price Loan, Development Loan, and Predevelopment Loan shall be collectively referred to hereinafter as the "**County Loan**". The County Loan shall be evidenced by the County Note, and shall be secured by the County Deed of Trust.

Developer represents, acknowledges and agrees that the cost of producing and maintaining affordable units is proportionately related to the level of affordability of the units, and that units restricted at deeper level of affordability will cost Developer more to produce. As a result, the County Loan shall be allocated to the Project in the following manner:

Thirty percent (30%) of the County Loan, in the amount of One Million Five Hundred Ninety Four Thousand Six Hundred Seventy-Six Dollars (\$1,594,676), shall be allocated to the cost of developing and maintaining the "30% AMI Units" (as that term is defined in the County Regulatory Agreement);

Fifty percent (50%) of the County Loan, in the amount of Two Million Sixty Hundred Fifty-Seven Thousand Seven Hundred Ninety-Two Dollars (\$2,657,792), shall be allocated to the cost of developing and maintaining the "40% AMI Units," "50% AMI Units," and "60% AMI Units" (as those terms are defined in the County Regulatory Agreement); and

Twenty percent (20%) of the County Loan, in the amount of One Million Sixty-Three Thousand One Hundred Seventeen Dollars (\$1,063,117), shall be allocated to the cost of developing and maintaining the "80% AMI Units" (as that term is defined in the County Regulatory Agreement).

As a condition to Developer's obligation to close the Project Financing, the County shall have delivered the Development Loan (or undisbursed portion thereof, if portions are disbursed early pursuant to the following paragraph) to Escrow Holder for disbursement to Developer at or following the closing of the Project Financing. The Development Loan shall be disbursed to Developer to reimburse Developer for Project development costs incurred by Developer, pursuant to the process set forth in this paragraph. All disbursement requests must be approved by the Planning Director, and shall include written evidence of previously paid or pending invoices for development costs listed in the Project Budget, such as receipts or invoices from the vendor, and shall also include written evidence that the invoices are for actual Project development costs that have been or will be incurred as a result of development of the Project. All requests for payment shall include conditional lien releases covering the work to be reimbursed.

Notwithstanding anything herein to the contrary, following the Close of Escrow (if the Close of Escrow occurs early, pursuant to Section 2.2(a) above), the Planning Director shall have authority, in his or her sole and absolute discretion, to disburse portions of the Development Loan to Developer, upon a written request by Developer setting forth the necessity for such early disbursement, along with back-up documentation supporting the request.

6.3 Applications to CDLAC and TCAC . Within the time set forth in the Schedule of Performance, Developer shall (i)(a) if the Project will be financed through issuance of the Tax-Exempt Bonds, prepare for filing in the name of the California Municipal Finance Authority or other reputable issuer acceptable to the Planning Director a complete application to CDLAC for an allocation for the Tax-Exempt Bonds; and (b) apply to reputable institutional lenders for the third party credit enhancement or private placement of the Tax-Exempt Bonds in order to provide the Construction Loan and Take-Out Loan for the Project; and (ii)(a) prepare and submit a complete application to TCAC for an allocation of 4% Tax Credits as soon as reasonably practicable following the Effective Date; and (b) apply to reputable institutional investors and syndicators qualified to act as the Investor.

Developer agrees to promptly submit to the Planning Director all of the following documents at such time as the same are submitted by Developer to TCAC or other applicable body or when such documents are received by Developer, as applicable (any documents submitted prior to the Effective Date of this Agreement shall also have been submitted by Developer to the Planning Director and reviewed by the Planning Director prior to the Effective Date of this Agreement):

(1) A true and correct copy of the preliminary reservation letter from TCAC, a copy of the letter of intent from the Investor reflecting the total amount of the syndication proceeds and the timing of the payment of such proceeds.

(2) A complete copy of the Tax Credit Regulatory Agreement (4 California Code of Regulations § 10340(c)). (As more fully discussed in Section 4.14 of County Regulatory Agreement, should the County be prevented by a final order of a court of competent jurisdiction, applicable and binding appellate opinion, or regulatory body

with jurisdiction from enforcing, for any reason, the affordability restrictions set forth in this Agreement, the County shall, subject to TCAC's consent to the extent such consent is required, be a third-party beneficiary under said agreement and shall have full authority to enforce any breach or default by Developer thereunder in the same manner as though it were a breach or default under this Agreement.)

(3) Complete copies of all correspondence or transmittals from TCAC or other jurisdiction (such as the Internal Revenue Service) containing any notification regarding the Project's noncompliance with applicable provisions of the Tax Credit Program.

6.4 Project Budget. The Project Budget includes all of the following: (i) a detailed budget; (ii) a Sources and Uses of Funds Statement; (iii) a Cash Flow Projection; and (iv) a First Year Operating Budget.

6.5 Developer Submittals.

Promptly upon Developer's receipt of a notification of an award of any of the financing described in the Project Budget, Developer shall submit to the Planning Director copies of all of the correspondence and other documentation received in connection with the same.

Within five (5) days after the Effective Date, Developer shall provide to the Planning Director a copy of Developer's most recently prepared Annual Financial Statement, and a copy of Developer's most recent internally prepared, unaudited financial statement, which shall include a balance sheet, income statement, statement of retained earnings, statement of cash flows, and footnotes thereto, prepared in accordance with generally accepted accounting principles consistently applied.

6.6 Financing Commitments. Not later than the time provided in the Schedule of Performance, Developer shall submit to the Planning Director for review and approval, which approval shall not be unreasonably denied or delayed, preliminary commitments for the Project Financing, including, without limitation, any investor or lender offers received from qualified parties for the Tax Credits.

6.7 Developer Fee. The parties acknowledge and agree that Developer shall not be entitled to any fee for developing the Project except as expressly set forth in the Project Budget.

6.8 Cost Savings Obligation. Subject to the requirements of TCAC and other lenders providing loans to the Project that have been approved by the Planning Director, Developer hereby agrees to provide and pay to the County towards repayment of the County Loan a "Cost Savings" payment for the Project in an amount to be determined based on the "Audit" (as those terms are described in subparagraph (a) below) to be conducted upon completion of construction of the Project.

(a) Audit to Determine Cost Savings Amount. The actual amount of Cost Savings to be paid to the County shall be determined after the Audit, as hereafter

described, and the amount of such Cost Savings shall be equal to the amount by which the total sources of permanent financing for the Project (which financing includes, but is not limited to, the County Loan, the Take-Out Loan, the equity raised by the sale of the Tax Credits) exceed the costs of development incurred for the Project (which costs include, but are not limited to, the hard and soft costs incurred by Developer to perform predevelopment activities and construct the Project (including all permitted deferred developer fee), and the amount spent to reduce the principal balance of the Construction Loan to the principal balance of the Take-Out Loan). Prior to the Conversion Date, Developer shall cause its certified public accountant(s) to perform a final audit of the costs of development of the Project in accordance with the requirements of the Tax Credits and generally accepted accounting principles ("GAAP") and generally accepted auditing standards (herein referred to as "Audit"). If the Audit determines that the total sources of permanent financing for the Project (which financing includes, but is not limited to, the County Loan, the Take-Out Loan, the equity raised by the sale of the Tax Credits) exceed Developer's total costs to develop the Project (which costs include, but are not limited to, the hard and soft costs incurred by Developer to perform predevelopment activities and construct the Project, and the amount spent to reduce the principal balance of the Construction Loan to the principal balance of the Take-Out Loan), such excess shall be considered the "**Cost Savings**" for the Project.

(b) Cost Savings Payment as Payment of Principal on County Loan. Subject to the requirements of TCAC and other lenders providing loans to the Project that have been approved by the Planning Director, the Cost Savings for the Project, once determined by the Audit pursuant to Section 6.8(a) above and subject to Section 6.8(c) below, shall be due and paid by Developer to the County and allocated and credited as a principal payment on the County Loan, as and when paid. Any Cost Savings above and beyond the amount needed to fully repay the County Loan may be used by Developer in its discretion.

(c) Timing of Payment of Cost Savings. The Cost Savings for the Project shall become due and payable by Developer to the County upon the later of (i) sixty (60) days after receipt by Developer of the final investor capital contribution, and (ii) completion of construction of the Project, as evidenced by the County's issuance of a Release of Construction Covenants.

7. DISPOSITION OF PROPERTY

7.1 Agreement. Successor Agency, subject to the conditions set forth in Section 7.2 below (except as otherwise permitted under Section 2.2), agrees to sell the Property to Developer, and Developer, subject to the conditions set forth in Section 7.3 below, agrees to purchase the Property from Successor Agency. Subject to each party's reserved rights hereunder, the parties shall cooperate with one another and shall exercise commercially reasonable diligence in an effort to ensure that the conditions precedent set forth in Sections 7.2 and 7.3 are timely satisfied.

7.2 Conditions for Successor Agency's Benefit. Except as otherwise permitted under Section 2.2, Successor Agency's obligation to sell the Property to Developer shall

be subject to satisfaction of all of the following conditions precedent or Successor Agency's written waiver of such conditions precedent in its sole and absolute discretion:

(a) Organizational Documents. The Planning Director shall have received and approved a copy of such portions of the organizational documents of Developer or Developer's successor-in-interest as the Planning Director deems reasonably necessary to document the power and authority of Developer to perform its obligations set forth in this Agreement. Developer shall have made full disclosure to the Planning Director of the names and addresses of all persons and entities that have a beneficial interest in Developer.

(b) Insurance. Developer shall have submitted to the Planning Director and the Planning Director shall have approved Developer's evidence of the liability insurance required pursuant to Section 10.6 hereof.

(c) Land Use Entitlements. The County shall have approved the Land Use Entitlements for the Project, in accordance with Section 4, Developer shall have approved or be deemed to have approved the same, including without limitation all terms and conditions applicable thereto, and the Land Use Entitlements Approval Date shall have occurred.

(d) Evidence of Project Financing. The Planning Director shall have received and reasonably approved commitments from all Project Financing sources, as evidenced by letters of commitment and/or true and complete copies of loan documents.

(e) General Contractor. The general contractor for the Project (the "**General Contractor**") shall have been approved by the Planning Director.

(f) Construction Contract. The Planning Director shall have received a true and complete copy of a contract by and between Developer and the General Contractor pursuant to which the General Contractor has agreed to construct the Project at a cost consistent with the costs set forth therefor in the Project Budget (the "**Construction Contract**") and the Planning Director shall have approved said Construction Contract.

(g) Final Construction Documents. The Planning Director shall have approved the Final Construction Documents for the Project and the Planning Director shall have received a full set thereof.

(h) Completion Bond. If the Construction Lender or the Investor require that a completion bond be posted by the General Contractor, then such completion bond shall name the County as a co-obligee.

(i) Completion Guaranty. If the Construction Lender or the purchaser of the Tax Credits require a completion guaranty from Developer, or any Affiliate thereof, then the County shall have also received a completion guaranty from Developer in similar form and content.

(j) Building Permit. The Building Permit for the Project shall have issued or shall be ready to issue subject only to the payment of applicable fees, the posting of required security, or both.

(k) Construction to Commence. The Planning Director shall be reasonably satisfied that construction of the Project will commence not later than thirty (30) days after the Close of Escrow and thereafter will be pursued to completion in a diligent and continuous manner; provided, however, that if early closing occurs pursuant to Section 2.2(a), then the Planning Director shall be reasonably satisfied that construction of the Project will commence not later than thirty (30) days after the close of Developer's Project Financing.

(l) Assignment of Final Construction Documents. Developer shall have conditionally assigned to the County the Final Construction Documents for the Project by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, which assignment shall be subordinated to any pledge or assignment to the Construction Lender. Developer shall have also delivered to the Planning Director the written consent of the other party to each such Final Construction Document to said assignment in the form included as part of said Attachment No. 6, including, without limitation, to the use by the County of the Final Construction Documents, as well as the ideas, designs, and concepts contained within them.

(m) Assignment of Construction Contract. Developer shall have conditionally assigned to the County the Construction Contract by an instrument substantially in the form attached hereto and incorporated herein as Attachment No. 6, including obtaining the consent thereto of the General Contractor, which assignment shall be subordinated to any pledge or assignment to the Construction Lender.

(n) Resident Services Plan. Developer shall have submitted a detailed resident services plan for the Project to the Planning Director, including any specialized supportive services to be provided to targeted populations, and the Planning Director shall have reasonably approved the same.

(o) Request for Notice of Default. Escrow Holder shall be ready to record a request for notice of default pursuant to Civil Code Section 2924(b), requesting that any beneficiaries of liens securing the Construction Loan notify the County of any default under the instrument creating the lien (the "**Request for Notice**").

(p) Documents Executed. Developer shall have duly executed the Grant Deed, County Note, County Deed of Trust, County Regulatory Agreement, and Notice of Affordability, with signatures acknowledged (as applicable) and deposited them into Escrow.

(q) Title Policy. Title Company is prepared to issue its ALTA loan policy of title insurance naming the County as the insured, in a policy amount not less than the principal amount of the County Loan, showing Developer as holding fee title to the

Property and insuring the County Deed of Trust to be a valid lien on the Property subject only to exceptions approved by the Planning Director (the “**County Title Policy**”).

(r) Land Use Entitlements Approval Date. Occurrence of the Land Use Entitlements Approval Date.

(s) Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement. Each of the Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement shall have been fully executed in forms approved by the Planning Director, for recordation at the Close of Escrow (applicable only if at Close of Escrow Successor Agency will convey Dientes Condominium to Dientes and SCCHC Condominium to SCCHC pursuant to Section 2.2(a) above).

(t) Total Project Cost. Nothing shall have come to the attention of Developer and/or the County to indicate that the Project cannot be completed at a cost consistent with the Project Budget and, if there has been such an indication, Developer has provided evidence, reasonably satisfactory to the Planning Director, of the availability of funding sources other than the County to complete the Project. If Developer becomes aware of any such information, Developer shall promptly give notice thereof to the County Administrative Officer and the Planning Director.

(u) Representations and Warranties. The representations of Developer contained in this Agreement shall be correct in all material respects as of the Close of Escrow as though made on and as of that date and, if requested by the Planning Director, the County shall have received a certificate to that effect signed by Developer.

(v) Successor Agency/County Assignment. Each of Successor Agency and County shall have duly executed the Successor Agency/County Assignment.

(w) No Default. No Event of Default by Developer shall then exist, and no event shall then exist which, with the giving of notice or the passage of time or both, would constitute an Event of Default by Developer and, if requested by the Planning Director, the County shall have received a certificate to that effect signed by Developer.

7.3 Conditions for Developer’s Benefit. Developer’s obligation to purchase the Property from Successor Agency shall be subject to satisfaction of all of the following conditions precedent or Developer’s written waiver of such conditions precedent in its sole and absolute discretion:

(a) Land Use Entitlements. Developer shall have approved the Land Use Entitlements for the Project, in accordance with Section 4.

(b) Condition of Property. No material changes shall have occurred after the Effective Date with respect to the condition of the Property.

(c) Evidence of Project Financing. The Developer shall have received commitments for the Construction Loan, Tax Credit Financing, and Take-Out Loan in form

and substance acceptable to the Developer, and the Construction Loan and Tax Credit financing shall close concurrently with the leasing of the Property.

(d) Total Project Cost. Nothing shall have come to the attention of Developer and/or the County to indicate that the Project cannot be completed at a cost consistent with the Project Budget and, if there has been such an indication, Developer has provided evidence, reasonably satisfactory to the Planning Director, of the availability of funding sources other than the County to complete the Project.

(e) Building Permit. The Building Permit for the Project shall have issued or shall be ready to issue subject only to the payment of applicable fees, the posting of required security, or both.

(f) Title Insurance. The Title Company shall be prepared to issue its ALTA owner's policy of title insurance, with liability in the amount not less than the total of the equity raised from the sale of the Tax Credits plus the principal amounts of the Take-Out Loan and County Loan, showing fee title to the Property vested in Developer, in the Condition of Property Title, with no other encumbrances or title exceptions, except (i) the Project Documents being recorded at the Close of Escrow pursuant to the terms of this Agreement, (ii) the lien of the Construction Loan Security Documents, and (iii) the standard conditions and exceptions contained in an ALTA standard owner's policy of title insurance that is regularly issued by the Title Company in transactions similar to the one contemplated by this Agreement (the "**Developer Title Policy**"). The Title Company shall provide the County with a copy of the Developer Title Policy.

(g) Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement. Each of the Joint Development, Easement, Joint Use, License and Maintenance Agreement and Cost Sharing Agreement shall have been fully executed.

(h) Reissuance of Predevelopment Loan. If reasonably required by the Investor, MidPen and the County shall have terminated the Predevelopment Agreement, and the County shall be deemed to have provided a new loan to Developer in the amount of the Predevelopment Loan.

(i) No Default. No Event of Default by Successor Agency shall then exist, and no event shall then exist which, with only the giving of notice or the passage of time or both, would constitute an Event of Default by Successor Agency.

7.4 Developer Right to Terminate. If, by the time provided in the Schedule of Performance, any of the conditions set forth in Section 7.3 have not been satisfied, or waived by Developer, then Developer, provided that it is not then in material default under this Agreement (subject to the notice and cure provisions of Section 13.1), may terminate this Agreement by giving thirty (30) days' written notice to Successor Agency.

7.5 Successor Agency Right to Terminate. If, by the time provided in the Schedule of Performance, any of the conditions set forth in Section 7.2 have not been satisfied, or waived by Successor Agency, then Successor Agency, provided that it is not

then in material default under this Agreement (subject to the notice and cure provisions of Section 13.1), may terminate this Agreement by giving thirty (30) days' written notice to Developer.

7.6 Waiver of Conditions. The conditions set forth in Section 7.2 are for Successor Agency's benefit only and the County Administrative Officer may waive all or any part of such rights by written notice to Developer. The conditions set forth in Section 7.3 are for Developer's benefit only and Developer may waive all or any part of such rights by written notice to Successor Agency.

8. PROPERTY CLOSING; ESCROW EXPENSES

8.1 Close of Escrow. Upon receipt by the Escrow Holder of (i) the Grant Deed, County Regulatory Agreement, County Deed of Trust, and Notice of Affordability, and (ii) all other funds and documents required to conduct the Close of Escrow in accordance with this Agreement, and when the conditions precedent described in Section 7.2 have been satisfied, or waived by the County Administrative Officer, and the conditions precedent described in Section 7.3 have been satisfied, or waived by Developer, the Escrow Holder shall take all of the following actions:

(a) Recordation. Escrow Holder shall record the following documents in the Official Records in the following order:

- (i) the Grant Deed;
- (ii) the County Regulatory Agreement;
- (iii) the Construction Loan Security Documents;
- (iv) the County Deed of Trust;
- (v) the Request for Notice;
- (vi) one or more (as applicable) County/Lender Subordination Agreements;
- (vii) the Notice of Affordability; and
- (viii) such other documents required to close the Escrow in accordance with this Agreement;

(b) Deliveries to Successor Agency. Escrow Holder shall deliver to Successor Agency:

- (i) a conformed copy of each of the documents recorded pursuant to paragraph (a) above; and
- (ii) the County Title Policy;

(c) Deliveries to Developer. Escrow Holder shall deliver to Developer:

- (i) a conformed copy of each of the documents recorded pursuant to paragraph (a) above, and
- (ii) the Developer Title Policy.

8.2 Expenses of Developer. Developer shall pay: (a) any and all documentary transfer taxes and recording fees arising from the conveyance of the Property from Successor Agency to Developer, (b) the Escrow fee, (c) the premium for the County Title Policy and Developer Title Policy, and (d) all such other costs and expenses related to the Escrow and not expressly provided for herein.

8.3 Instruction to Escrow Holder Regarding Waiver of Transfer Taxes and Recording Fees. The Escrow Holder is hereby instructed to seek such waivers and exemptions from transfer taxes and recording fees as are available pursuant to Revenue and Taxation Code Section 11922 and Government Code Sections 6103 and 27383, respectively.

8.4 Broker's Commissions. Developer represents and warrants to Successor Agency that Developer has not engaged any broker, agent or finder in connection with this Agreement, and Developer agrees to indemnify, protect, hold harmless, and defend the Indemnitees from any claim by any brokers, agents or finders retained by Developer. Successor Agency represents and warrants to Developer that Successor Agency has not engaged any broker, agent, or finder in connection with this Agreement, and Successor Agency agrees to indemnify, protect, hold harmless, and defend Developer and its officers, officials, members, employees, representatives, agents, and volunteers from any claim by any brokers, agents, or finders retained by Successor Agency.

9. OTHER ESCROW INSTRUCTIONS

9.1 Funds in Escrow. All funds received in the Escrow shall be deposited by the Escrow Holder in a general escrow account with any state or national bank doing business in the State of California and reasonably approved by the County Administrative Officer and Developer, and such funds may be combined with other escrow funds of the Escrow Holder. All disbursements shall be made on the basis of a thirty (30) day month.

9.2 Failure to Close. If the Close of Escrow does not occur on or before the Outside Closing Date, either Party not then in default may, in writing, demand the return of its money, papers, or documents from the Escrow Holder. No demand for return shall be recognized until fifteen (15) days after the Escrow Holder (or the Party making such demand) shall have mailed copies of such demand to the other Party. Objections, if any, shall be raised by written notice to the Escrow Holder and to the other Party within the fifteen (15) day period, in which event the Escrow Holder is authorized to hold all money, papers and documents until instructed by mutual agreement of the Parties or, upon failure thereof, by a court of competent jurisdiction. If no such demands are made, the Escrow Holder shall conduct the Close of Escrow as soon as possible.

If objections are raised in the manner provided above, the Escrow Holder shall not be obligated to return any such money, papers or documents except upon the written instructions of both the County Administrative Officer and Developer, or until the Party entitled thereto has been determined by a final decision of a court of competent jurisdiction. If no such objections are made within said fifteen (15) period, the Escrow Holder shall immediately return the demanded money, papers or documents.

9.3 Amendments. Any amendment to these Escrow instructions shall be in writing and signed by the County Administrative Officer or legal counsel to Successor Agency and Developer. At the time of any amendment, the Escrow Holder shall agree to carry out its duties as the Escrow Holder under such amendment.

9.4 Notices. All Notices from the Escrow Holder to Successor Agency or Developer shall be given in the manner provided in Section 14.

9.5 Liability. The liability of the Escrow Holder under this Agreement is limited to performance of the obligations imposed upon it under Sections 6, 8 and 9 and such additional general or special instructions as may be prepared by the Escrow Holder and approved and executed by the parties.

10. DEVELOPMENT OF THE PROJECT

10.1 Scope of Development. Developer shall construct the Project on the Property in accordance with all applicable Governmental Requirements, the approved Land Use Entitlements, and the Scope of Development. In the event of any conflict between the approved Land Use Entitlements and the Scope of Development, the approved Land Use Entitlements shall govern and control. Subject to Section 17.12 below, Developer shall commence and complete construction of the Project on the Property by the respective times established therefor in the Schedule of Performance. The Scope of Development shall be deemed to include any plans and specifications submitted to the County for approval, and shall incorporate or show compliance with all mitigation measures.

10.2 Additional Governmental Permits and Approvals.

(a) Before commencement of construction or development of any buildings, structures or other works of improvement upon the Property by Developer, Developer shall, at its own expense, secure or cause to be secured any and all permits and approvals not included in the Land Use Entitlements which may be required by the County or any other governmental agency affected by or with jurisdiction over such construction, development or work.

(b) The landscaping and finish grading plans shall be prepared by a professional landscape architect or registered civil engineer who may be the same firm as Developer's architect or civil engineer. During the preparation of drawings and plans, staff of Developer shall hold regular progress meetings with the County to coordinate the preparation of, submission to, and review of drawings, plans and related documents by the County. The staff of Developer shall communicate and consult informally with the

County as frequently as is necessary to insure that the formal submittal of any documents to the County can receive prompt and speedy consideration. Successor Agency shall use reasonable commercial efforts to cause the County to approve, conditionally approve, or deny, in writing, any formally submitted plans within thirty (30) days after submission to the County.

(c) Developer shall pay all necessary fees and timely submit to the County Final Construction Documents with final corrections required by the County to obtain a Building Permit.

10.3 Review and Approval of Plans, Drawings, and Related Documents.

(a) Successor Agency shall use reasonable commercial efforts to cause the County to approve, conditionally approve, or deny, in writing, any formally submitted plans within thirty (30) days after submission to the County.

(b) If the County determines that such a submittal is not substantially complete or not in accordance with procedures, such tender shall not be deemed to constitute a submittal for purposes of satisfying the Schedule of Performance. If Developer desires to make any material changes in the construction plans after their approval by the County, Developer shall submit the proposed change to the County for approval. If the construction plans, as modified by the proposed change, conform to the requirements of this Section 10.3 the Land Use Entitlements, the Scope of Development, and all Governmental Requirements, Successor Agency shall use reasonable efforts to cause the County to approve the proposed change, in writing, within thirty (30) days after submission to the County.

10.4 Cost of Development. Developer acknowledges and agrees that all Project Costs shall be borne exclusively by Developer. Developer shall also bear all costs related to discharging the duties of Developer set forth in this Agreement. Developer shall also be responsible for all fees associated with development of the Project, including, but not limited to, school facilities fees and development impact fees.

10.5 Indemnity. Developer shall defend (by counsel reasonably satisfactory to the County and Successor Agency), assume all responsibility for and hold the Indemnitees harmless from all claims or suits for, and damages to, property and injuries to persons, including accidental death (including expert witness fees, attorney's fees and costs), to the extent arising out of the activities and/or performance of Developer or any of Developer's employees, agents, representatives, contractors, or subcontractors under or with respect to (i) this Agreement, (ii) the making of the County Loan; (iii) a claim, demand or cause of action that any person has or asserts against Developer; (iv) any act or omission of Developer, any of Developer's contractors, subcontractors or material suppliers, engineers, architects or other persons with respect to the Property; or (v) the ownership, occupancy or use of the Property by Developer, whether such damage shall accrue or be discovered before or after termination of this Agreement. Developer's indemnification obligations pursuant to this Section 10.5 shall not apply to the extent that such claims, suits, or damages arise out of the intentional misconduct, active negligence,

or illegal actions of any of the Indemnitees. The obligations and indemnifications in this Section 10.5 shall constitute covenants running with the land.

10.6 Insurance Requirements.

(a) General. Commencing on the date of the Close of Escrow and continuing throughout the term of the County Regulatory Agreement, Developer shall procure and maintain, at its sole cost and expense, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects the County and Successor Agency and any insurance or self-insurance maintained by the County or Successor Agency shall be considered in excess of Developer's insurance coverage and shall not contribute to it. If Developer normally carries insurance in an amount greater than the minimum amount required by the County or Successor Agency for this Agreement, that greater amount shall become the minimum required amount of insurance for purposes of this Agreement. Therefore, Developer hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Agreement. Insurance is to be obtained from insurers reasonably acceptable to the County and Successor Agency.

If Developer utilizes one or more subcontractors in the performance of this Agreement, Developer shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of Developer in this Agreement, unless Developer and the County both initial here ____ / ____.

(b) Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the Developer has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of Developer's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by Developer's employees), leased or hired vehicles, in the minimum amount of \$1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the Developer does not drive a vehicle in conjunction with any part of the performance of this Agreement and Developer and the County both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$5,000,000 per occurrence, and \$5,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$_____ combined single limit, if, and only if, this subparagraph is initialed by Developer and the County ____ / ____.

(5) Builder's Risk (course of construction) insurance coverage in an amount equal to the full cost of the hard construction costs of the Project. Such insurance shall cover, at a minimum: all work, materials, and equipment to be incorporated into the Project; the Project during construction; the completed Project until such time as (i) the County issues a final certificate of occupancy (or equivalent document, if the County does not issue certificates of occupancy), and (ii) the County issues a Release of Construction Covenants, for the Project, and storage and transportation risks. Such insurance shall protect/insure the interests of Developer/owner and all of Developer's contractor(s), and subcontractors, as each of their interests may appear. If such insurance includes an exclusion for "design error," such exclusion shall only be for the object or portion which failed. The County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall terminate on the date the County issues a Release of Construction Covenants for the Project.

(6) Insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in Santa Cruz County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquakes to the extent required by the Construction Lender or Investor. The County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date the County issues a Release of Construction Covenants for the Project.

(7) Business interruption and extra expense insurance to protect Developer and the County covering loss of revenues and/or extra expense incurred by reason of the total or partial suspension or delay of, or interruption in, the operation of the Project caused by loss or damage to, or destruction of, any part of the insurable real property structures or equipment as a result of the perils insured against under the all risk physical damage insurance, covering a period of suspension, delay or interruption of at least twelve (12) months, in an amount not less than the amount required to cover such business interruption and/or extra expense loss during such period. Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date the County issues a Release of Construction Covenants for the Project.

(8) Boiler and machinery insurance in the aggregate amount of the full replacement value of the equipment typically covered by such insurance.

Notwithstanding anything to the contrary in this Section 10.6, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date the County issues a Release of Construction Covenants for the Project.

(c) Other Insurance Provisions

(1) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, Developer agrees that the retroactive date thereof shall be no later than the Effective Date, and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post Agreement coverage") and any extensions thereof. Developer may maintain the required post Agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post Agreement coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover Successor Agency and the County of Santa Cruz, and their respective officials, officers, members, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of Developer, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required policies shall be endorsed to contain the following clause:
 "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

Santa Cruz County
 Planning Department
 Attn: Housing Manager
 701 Ocean Street, Room 418
 Santa Cruz, CA 95060

Should Developer fail to obtain such an endorsement to any policy required hereunder, Developer shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the County as a material term of this Agreement.

(4) Developer agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide Successor Agency on or before the Effective Date of this Agreement with Certificates of Insurance and endorsements for all

required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the Developer's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

Santa Cruz County
Planning Department
Attn: Housing Manager
701 Ocean Street, Room 418
Santa Cruz, CA 95060

(5) Developer hereby grants to the County and Successor Agency a waiver of any right of subrogation which any insurer of said Developer may acquire against the County or Successor Agency by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County or Successor Agency has received a waiver of subrogation endorsement from the insurer.

10.7 Developer's Continuing Indemnification Obligations. Developer agrees that the provisions of this Section shall not be construed as limiting in any way the County's or Successor Agency's right to indemnification or the extent to which Developer may be held responsible for the payment of damages to any persons or property resulting from Developer's activities or the activities of any person or persons for which Developer is otherwise responsible.

10.8 Remedies for Defaults Re: Insurance. In addition to any other remedies the County or Successor Agency may have, if Developer commits a default hereunder by failing to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, Successor Agency or the County may at its sole option, obtain such insurance and invoice the Developer for the amount of said premium. Exercise of the remedy set forth herein, however, is an alternative to other remedies the County and Successor Agency may have and is not the exclusive remedy for Developer's failure to maintain insurance or secure appropriate endorsements.

10.9 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. If the Project shall be totally or partially destroyed or rendered uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall, subject to the rights of the Construction Lender, promptly proceed to obtain all available insurance proceeds and, to the extent proceeds are available, take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as it existed prior to the casualty, and Developer shall complete or cause to be completed the same as soon as possible thereafter so that the Project can be operated in accordance with this Agreement. The County shall cooperate with Developer, at no expense to the County, in an effort to obtain any governmental permits required for such repair, replacement, or restoration.

10.10 Rights of Access. For purposes of assuring compliance with this Agreement, representatives of the County shall have the right of access to the Property without charges or fees, at normal business hours during the construction of the Project (subject to reasonable job safety rules as may be imposed by Developer or the General Contractor), including, but not limited to, the inspection of the work being performed in constructing the Project, so long as they comply with all safety rules. Such representatives of the County shall be those who are so identified in writing by the Planning Director.

10.11 Compliance with Laws; Compliance with Prevailing Wage Laws.

(a) Compliance with Laws. Developer shall carry out the construction, development and operation of the Project in conformity with all Governmental Requirements, including without limitation, all applicable local and state labor standards, County zoning and development standards, any permit issued pursuant to the NPDES and applicable to the Project and/or Property, building, plumbing, mechanical and electrical codes, and all other provisions of the County Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq.

(b) Compliance with Prevailing Wage Laws.

(i) Developer shall carry out the construction through completion of the Project and the overall development of the Property in conformity with all applicable Governmental Requirements relating to the payment of prevailing wages and compliance with prevailing wage rules, including, without limitation, if applicable, the requirements to pay prevailing wages under federal law (the Davis-Bacon Act, 40 U.S.C. Section 3141, et seq., and the regulations promulgated thereunder set forth at 29 CFR Part 1 (collectively, “**Davis-Bacon**”)) and California law (Labor Code Section 1720, et seq.) (“**California Prevailing Wage Law**”). The parties acknowledge that a financing structure utilizing certain federal and/or state funding sources and financing scenarios may trigger compliance with applicable state and federal prevailing wage laws and regulations. Developer shall determine the applicability of federal, state, and local prevailing wage laws based upon the final financing structure and sources of funding of the Project, as approved by the Planning Director.

(ii) Developer shall be solely responsible, expressly or impliedly and legally and financially, for determining and effectuating compliance with all applicable federal, state, and local public works requirements, prevailing wage laws, and labor laws and standards, and neither the County nor Successor Agency makes any representation, either legally and/or financially, as to the applicability or non-applicability of any federal, state, and local laws to the construction of the Project. Developer expressly,

knowingly, and voluntarily acknowledges and agrees that neither Successor Agency nor the County have previously represented to Developer or to any representative, agent, or Affiliate of Developer, or any contractor(s) or any subcontractor(s) for the demolition work, construction, or development of the Project, in writing or otherwise, in a call for bids or otherwise, that the work and construction of the Project is (or is not) a “public work,” as defined in Section 1720 of the Labor Code or under Davis-Bacon. Notwithstanding the foregoing, each of County and Successor Agency hereby advises Developer that the Santa Cruz Code requires Developer to pay prevailing wages in connection with construction of the Project.

(iii) Developer knowingly and voluntarily agrees that Developer shall have the obligation to provide any and all disclosures or identifications as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. Developer shall indemnify, protect, pay for, defend, and hold harmless the Indemnitees, with legal counsel reasonably acceptable to Successor Agency and the County, from and against any and all loss, liability, damage, claim, cost, expense, and/or “increased costs” (including reasonable attorney’s fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (as defined by applicable law) and/or operation of the Project, including, without limitation, any and all public works (as defined by applicable law), results or arises in any way from any of the following: (i) the noncompliance by Developer or its contractor with any applicable local, state, and/or federal law or regulation, including, without limitation, any applicable federal and/or state labor laws or regulations (including, without limitation, if applicable, the requirement to pay state and/or federal prevailing wages and hire apprentices); (ii) the implementation of Section 1781 of the Labor Code and/or of Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation; and/or (iii) failure by Developer to provide any required disclosure or identification as required by Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, or any other similar law or regulation. It is agreed by the parties that, in connection with the demolition work, development, and construction (as defined by applicable law or regulation) of the Project, including, without limitation, any and all public works (as defined by applicable law or regulation), Developer shall bear all risks of payment or non-payment of prevailing wages under applicable federal, state, and local law or regulation and/or the implementation of Labor Code Section 1781 and/or by Davis Bacon, as the same may be amended from time to time, and/or any other similar law or regulation. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the construction and development of the Project by Developer.

(iv) "Increased costs," as used in this Section 10.10, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time.

10.12 Anti-Discrimination. Developer, for itself and its successors and assigns, agrees that in the construction of the Project on the Property or other performance under this Agreement, Developer shall not discriminate against any employee or applicant for employment on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

10.13 Taxes and Assessments. After the Close of Escrow, Developer shall pay prior to delinquency all real estate taxes and assessments on the Property so long as Developer retains any interest therein. Notwithstanding the above, Developer shall have the right to contest the validity or amounts of any tax, assessment, or encumbrance available to Developer in respect thereto, or obtain any available exemptions.

10.14 Right of County to Satisfy Other Liens on the Property(s). At any time prior to the completion of construction, and after Developer has had written notice and has failed after a reasonable time, but in any event not less than forty-five (45) days, to challenge, cure, adequately bond against, or satisfy any liens or encumbrances on the Property which are not otherwise permitted under this Agreement, the County shall have the right but no obligation to satisfy any such liens or encumbrances. Notwithstanding the above, Developer shall have the right to contest the validity or amounts of any tax, assessment, or encumbrance available to Developer in respect thereto.

10.15 Non-liability of the County. Developer acknowledges and agrees that:

(a) The County neither undertakes nor assumes any responsibility to review, inspect, supervise, approve (other than for aesthetics) or inform Developer of any matter in connection with the Project, including matters relating to: (i) the Final Construction Documents, (ii) architects, contractors, subcontractors and materialmen, or the workmanship of or materials used by any of them, and/or (iii) the progress of the Project and its conformity with the Final Construction Documents; and Developer shall rely entirely on its own judgment with respect to such matters and acknowledge that any review, inspection, supervision, approval or information supplied to Developer by the County in connection with such matters is solely for the protection of the County and that neither Developer nor any third party is entitled to rely on it;

(b) The County is not a partner, joint venturer, alter-ego, manager, controlling person or other business associate or participant of any kind of Developer and the County does not intend to ever assume any such status; and the County shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer;

(c) The County shall not be directly or indirectly liable or responsible for any loss or injury of any kind to any person or property resulting from any construction

on, or occupancy or use of, the Property whether arising from: (i) any defect in any building, grading, landscaping or other onsite or offsite improvement; (ii) any act or omission of Developer or any of Developer's agents, employees, contractors, licensees or invitees; or (iii) from and after the Close of Escrow any accident on the Property or any fire or other casualty or hazard thereon not caused by the Indemnitees; and

(d) By accepting or approving anything required to be performed or given to the County under this Agreement, including any certificate, financial statement, survey, appraisal or insurance policy, the County shall not be deemed to have warranted or represented the sufficiency or legal effect of the same, and no such acceptance or approval shall constitute a warranty or representation by the County to anyone.

10.16 Release of Construction Covenants. Promptly after completion of construction of the Project by Developer in conformity with this Agreement, the County shall furnish Developer with a Release of Construction Covenants upon written request therefor by Developer. The County shall not delay and/or unreasonably withhold such Release of Construction Covenants. Such Release of Construction Covenants shall be a conclusive determination of satisfactory completion of the construction required by this Agreement and the Release of Construction Covenants shall so state. The Release of Construction Covenants shall be in the form attached hereto as Attachment No. 12 or such other similar form as to permit it to be recorded in the Official Records. If the County refuses or fails to furnish a Release of Construction Covenants for the Project after written request from Developer, the County shall, within fifteen (15) days of written request therefor, provide Developer with a written statement of the reasons the County refused or failed to furnish the requested Release of Construction Covenants. The statement shall also contain the County's opinion of the actions Developer must take to obtain the Release of Construction Covenants. If the reason for such refusal is confined to the immediate unavailability of specific items of materials for landscaping or other minor "punch list" items, the County shall issue its Release of Construction Covenants upon the posting of cash, a bond, or other security acceptable to the County in the County's sole discretion by Developer with the County in an amount representing the fair value of the work not yet completed, and Developer shall thereafter complete the "punch list" work with reasonable diligence and in no event later than sixty (60) days after the County's issuance of the Release of Construction Covenants. A Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage or any insurer of a mortgage securing money loaned to finance the improvements, or any part of this Agreement, or a release of any obligations under this Agreement which survives issuance of the Release of Construction Covenants. A Release of Construction Covenants is not a notice of completion as referred to in the California Civil Code Section 3093.

11. AFFORDABILITY COVENANTS

As more particularly provided in County Regulatory Agreement, (i) ten (10) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed thirty percent (30%) of the Santa Cruz County area median income, adjusted for household size; (ii) twelve (12) of the dwelling units in the Project shall be

rented, in perpetuity, to households whose incomes do not exceed forty percent (40%) of the Santa Cruz County area median income, adjusted for household size; (iii) sixteen (16) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed fifty percent (50%) of the Santa Cruz County area median income, adjusted for household size; (iv) thirteen (13) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed sixty percent (60%) of the Santa Cruz County area median income, adjusted for household size; and (v) five (5) of the dwelling units in the Project shall be rented, in perpetuity, to households whose incomes do not exceed eighty percent (80%) of the Santa Cruz County area median income, adjusted for household size, with all of such dwelling units rented at an affordable rent, pursuant to Health and Safety Code Section 50053(b). The Project shall also include one (1) unrestricted manager's unit. Notwithstanding the foregoing, however, if the Investor reasonably determines prior to the Close of Escrow that based on the Project's residual analysis test, maximum rent levels would need to be increased after the fifty-fifth (55th) year of operation, then the Planning Director shall have the right, in his or her sole and absolute discretion, to revise the form of the County Regulatory Agreement to permit such increases after the fifty-fifth (55th) year of operation, but only to the extent necessary to satisfy the Investor's residual analysis test.

12. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1 Developer's Formation, Qualification and Compliance. Developer represents and warrants that (a) it is validly existing and in good standing under the laws of the State of California, (b) it has all requisite authority to conduct its business and own and lease its properties, (c) it has all requisite authority to execute and perform its obligations under this Agreement, (d) this Agreement is binding upon Developer in accordance with its terms, and (e) the individuals executing this Agreement on behalf of Developer are duly authorized to execute and deliver this Agreement on behalf of Developer.

12.2 Litigation. Developer represents and warrants that there are no actions, lawsuits or proceedings pending or, to the best of Developer's knowledge, threatened against or affecting Developer, the adverse outcome of which could have a material adverse effect on Developer's ability to perform its obligations under this Agreement.

12.3 Successor Agency. Successor Agency represents and warrants that (a) it is validly existing and in good standing under the laws of the State of California, (b) it has all requisite authority to execute and perform its obligations under this Agreement, including the disposition of the Capitola Property pursuant to the terms of this Agreement, (c) this Agreement is binding upon Successor Agency in accordance with its terms, and (d) the individuals executing this Agreement on behalf of Successor Agency are duly authorized to execute and deliver this Agreement on behalf of Successor Agency. Successor Agency further represents and warrants that there are no actions, lawsuits, or legal proceedings pending or, to the knowledge of Successor Agency, threatened, against or affecting Successor Agency, the adverse outcome of which could have a material adverse effect on Successor Agency's ability to perform its obligations under this Agreement. As used in this Section 12.3, the phrase "knowledge of Successor Agency"

shall mean and refer to the actual knowledge of the County Administrative Officer, without duty of inquiry or investigation.

13. DEFAULTS AND REMEDIES

13.1 Event of Default. Any of the following events or occurrences with respect to either Party shall constitute a material breach of this Agreement and, after the expiration of any applicable cure period, shall constitute an “**Event of Default**” by such party:

(a) The failure by either Party to pay any amount in full when it is due under this Agreement, if the failure has continued for a period of ten (10) days after the Party entitled to payment demands in writing that the other Party cure that failure.

(b) The failure by either Party to perform any other obligation under this Agreement, if the failure has continued for a period of thirty (30) days after demand in writing that such Party cure the failure, or such shorter time period as may be provided for in one of the other Project Documents. If, however, by its nature the failure cannot reasonably be cured within said time period, such Party may have such longer period of time as is reasonably necessary to cure the failure, provided that such Party commences said cure within said thirty (30)-day period, and thereafter diligently prosecutes said cure to completion.

13.2 No Waiver. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default, or of any such rights or remedies, or deprive any such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

13.3 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by the other Party.

13.4 Attorneys’ Fees. If either Party to this Agreement is required to initiate or defend litigation in any way connected with this Agreement, the prevailing Party in such litigation, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys’ fees. If either Party to this Agreement is required to initiate or defend litigation with a third party because of the violation of any term or provision of this Agreement by the other Party, then the Party so litigating shall be entitled to reasonable attorneys’ fees from the other Party to this Agreement. Attorneys’ fees shall include attorney’s fees on any appeal, and in addition a Party entitled to attorney’s fees shall be entitled to all other reasonable costs for investigating such action, retaining expert witnesses, taking depositions and discovery, and all other necessary costs incurred with respect to such litigation. All such fees shall be deemed to have accrued

on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

13.5 Reimbursement of Successor Agency. Within thirty (30) days after its receipt of written demand from Successor Agency, Developer shall reimburse Successor Agency for all costs reasonably incurred by Successor Agency (including the reasonable fees and expenses of attorneys, accountants, appraisers and other consultants) in connection with Successor Agency enforcement of the Project Documents and all related matters, including, without limitation, the following: (a) Successor Agency's commencement of, appearance in, or defense of any action or proceeding purporting to affect the rights or obligations of the Parties to any Project Document; and (b) all claims, demands, causes of action, liabilities, losses, and other costs against which any of the Indemnitees is indemnified under the Project Documents. Such reimbursement obligations shall bear interest from the date occurring fifteen (15) days after Successor Agency makes written demand to Developer at the rate of ten percent (10%) per annum or the maximum legal rate, whichever is less. Such reimbursement obligations shall survive termination of this Agreement.

14. NOTICES

Any notices, demands or other communications required or permitted to be given by any provision of this Agreement or which any party may desire to give the other shall be given in writing to the appropriate party, and shall be (a) delivered personally, (b) sent as a PDF or similar attachment to an e-mail, provided that such e-mail shall be followed with a hard copy sent by first-class mail, postage prepaid, within one (1) business day, (c) sent by certified mail, postage prepaid, or (d) sent by a reputable delivery service which provides a receipt with the time and date of delivery, addressed to a party, at the addresses set forth below, or to such other address as said party may hereafter or from time to time designate by written notice to the other party. All Notices shall be addressed as follows:

If to Developer:	MP Live Oak Associates, L.P. c/o MidPen Housing Corporation 303 Vintage Park Drive, Suite 250 Foster City, CA 94404 Attn: Jan Lindenthal Telephone No.: 650-356-2919 E-mail: jlindenthal@midpen-housing.org
If to Successor Agency:	Santa Cruz County Redevelopment Successor Agency 701 Ocean Street, Room 520 Santa Cruz, CA 95060 Attn: Assistant County Administrative Officer Telephone No.: 831-454-2100 E-mail: elissa.benson@santacruzcounty.us

with a copy to County of Santa Cruz
 701 Ocean Street, Room 418
 Santa Cruz, CA 95060
 Attn: Planning Director
 Telephone No.: 831-454-2332
 E-mail: HousingProgramsInfo@santacruzcounty.us

and to: Rutan & Tucker, LLP
 611 Anton, Suite 1400
 Costa Mesa, CA 92626
 Attn: Allison LeMoine-Bui, Esq.
 Telephone No.: 714-641-5100
 E-Mail: alemoine-bui@rutan.com

Notice given by United States Postal Service or delivery service as provided herein shall be considered given on the earlier of the date on which said notice is actually received by the party to whom such notice is addressed, or as of the date of delivery, whether accepted or refused, established by the United States Postal Service return receipt or such overnight carrier's receipt of delivery, as the case may be. Notice given by e-mail attachment as provided above shall be deemed given on the date on which the e-mail was sent, provided the recipient has confirmed receipt as evidenced by sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement, provided that, if recipient has not confirmed receipt of any notice or other communication to be delivered by e-mail attachment as provided above, notice shall be deemed given on the next business day, provided the such e-mail was followed up with a hard copy as required above). Any such notice not so given shall be deemed given upon receipt of the same by the party to which it is addressed

Addresses for notice may be changed from time to time by notice to the other Party. Notwithstanding that Notices shall be deemed given when delivered, the non-receipt of any Notice as the result of a change of address of which the sending Party was not notified shall be deemed receipt of such Notice.

15. ASSIGNMENT

15.1 Generally Prohibited. Except as otherwise expressly provided to the contrary in this Agreement, Developer shall not assign any of its rights or delegate any of its duties under this Agreement, nor shall any changes occur with respect to the ownership and/or control of Developer, including, without limitation, stock transfers, or transfers, sales or issuances of membership or ownership interests, or statutory conversions, without the prior written consent of the County Administrative Officer, which consent may be withheld in his or her sole and absolute discretion. Any such assignment or delegation without such consent shall, at Successor Agency's option, be void. Notwithstanding the foregoing, however, (i) Developer may transfer and assign its rights and duties hereunder to the Partnership without obtaining any consent, the Investor may

be admitted to the Partnership as a 99.99% Tax Credit limited partner without obtaining any consent, and such Investor may assign its interests as a 99.99% Tax Credit limited partner to a subsequent reputable institutional investor without any consent; (ii) the Investor may remove the general partner for a default under the Partnership Agreement, provided the replacement general partner is reasonably acceptable to Successor Agency; and (iii) the Partnership may transfer and assign its rights and duties hereunder to MidPen or an Affiliate of MidPen pursuant to the purchase option and/or right of first refusal entered into between MidPen and the Partnership. For purposes of this Section 15.1, if the Investor transfers to an entity in which the Investor or an Affiliate of the Investor is the administrative general partner or managing member such transferee entity shall be deemed to be a “reputable institutional investor.” This Section 15.1 shall not be applicable to the leasing of individual dwelling units to income eligible households in accordance with the County Regulatory Agreement.

15.2 Release of Developer. Upon any such assignment made in compliance with Section 15.1 above which is evidenced by a written assignment and assumption agreement in a form approved by Successor Agency’s counsel, the transferor shall be released from any liability under this Agreement arising from and after the effective date of such assignment.

15.3 Assignment of Agreement by Successor Agency to County. The Parties acknowledge and agree that at the Close of Escrow Successor Agency will assign all of its rights and obligations under this Agreement to the County of Santa Cruz pursuant to an assignment and assumption agreement in a form approved by special legal counsel to the County (the “**Successor Agency/County Assignment**”).

16. ADMINISTRATION

Following approval of this Agreement by Successor Agency, and prior to the Close of Escrow this Agreement shall be administered and executed on behalf of Successor Agency by the County Administrative Officer. The County Administrative Officer shall have the authority to issue interpretations, waive terms and conditions, and enter into implementing agreements and amendments of this Agreement (including, without limitation, to the Schedule of Performance) on behalf of Successor Agency provided that such actions do not substantially change the uses or development permitted on the Property, materially add to the costs or obligations, increase the risk of liability, or impair the rights or remedies, of Successor Agency provided herein, or materially decrease the revenues or other compensation to be received by Successor Agency hereby. All other waivers or amendments shall require the formal consent of the Board of Directors of Successor Agency and, if required by applicable law, of the Santa Cruz County Consolidated Redevelopment Successor Agency Oversight Board.

Following the Close of Escrow, and assignment of this Agreement to the County, this Agreement shall be administered and executed on behalf of the County by the Planning Director. The Planning Director shall have the authority to issue interpretations, waive terms and conditions, enter into subordination agreements with public funding sources where the public funding source’s regulations require such subordination, and

enter into implementing agreements and amendments of this Agreement (including, without limitation, to the Schedule of Performance) on behalf of the County provided that such actions do not substantially change the uses or development permitted on the Property, materially add to the costs or obligations, increase the risk of liability, or impair the rights or remedies, of the County provided herein, or materially decrease the revenues or other compensation to be received by the County hereby. All other waivers or amendments shall require the formal consent of the Board of Supervisors of the County.

17. MISCELLANEOUS

17.1 Counterparts. This Agreement may be executed in counterparts, all of which, taken together, shall be deemed to be one and the same document.

17.2 Prior Agreements; Amendments. This Agreement, along with the ENA, contains the entire agreement between Successor Agency and Developer with respect to the Property, and with the exception of the ENA, all prior negotiations, understandings and agreements are superseded by this Agreement. No modification of this Agreement (including waivers of rights and conditions) shall be effective unless in writing and signed by the Party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given.

This Agreement, along with the Predevelopment Agreement, contains the entire agreement between the County and Developer with respect to the Property and Project, and with the exception of the Predevelopment Agreement, all prior negotiations, understandings and agreements are superseded by this Agreement. No modification of this Agreement (including waivers of rights and conditions) shall be effective unless in writing and signed by the Party against whom enforcement of such modification is sought, and then only in the specific instance and for the specific purpose given. Following the Close of Escrow, the County agrees to consider in good faith making reasonable modifications to this Agreement that are necessary to finance the development of the Project.

17.3 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California, without regard to conflict of law principles.

17.4 Acceptance of Service of Process. In the event that any legal action is commenced by Developer against Successor Agency, service of process on Successor Agency shall be made by personal service upon the County Administrative Officer or in such other manner as may be provided by law. In the event that any legal action is commenced by Successor Agency against Developer, service of process on Developer shall be made in such manner as may be provided by law.

17.5 Severability of Provisions. No provision of this Agreement that is held to be unenforceable or invalid shall affect the remaining provisions if and to the extent that the primary purposes of this Agreement can still be accomplished without materially impairing the rights or increasing the obligations or risks of each Party, as reasonably determined

by that Party, and to that extent all provisions of this Agreement are hereby declared to be severable.

17.6 Interpretation. Both Parties have participated in the drafting of this Agreement and any ambiguities in this Agreement shall not be construed for or against either Party on account of the authorship or presumed authorship hereof. Article and section headings are included in this Agreement for convenience of reference only and shall not be used in construing this Agreement. Any defined term used in the plural in this Agreement shall refer to all members of the relevant class and any defined term used in the singular shall refer to any of the members of the relevant class. References herein to Articles, Sections, and Attachments shall be construed as references to this Agreement unless a different document is named. References to subparagraphs shall be construed as references to the same Section in which the reference appears. The terms “including” and “include” mean “including (include) without limitation.”

17.7 Accounting Principles. Any accounting term used and not specifically defined in this Agreement shall be construed, and all financial data required to be submitted under this Agreement shall be prepared, in conformity with generally accepted accounting principles applied on a consistent basis or in accordance with such other principles or methods as are reasonably acceptable to Successor Agency.

17.8 Attachments Incorporated. All attachments to this Agreement, as now existing and as the same may from time to time be modified, are incorporated herein by this reference.

17.9 Time of the Essence. Time is of the essence of this Agreement.

17.10 Warranty Against Payment of Consideration. Developer warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

17.11 Non-liability of Successor Agency or County Officials and Employees. No member, director, officer, employee, or volunteer of Successor Agency or the County shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by Successor Agency or for any amount which may become due to Developer or successor, or on any obligation under the terms of this Agreement.

17.12 Force Majeure. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God or other deities; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; litigation beyond the reasonable control of a Party; unusually severe weather; inability, despite commercially reasonable efforts, to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier beyond the reasonable control of a Party; acts of the other Party; acts or the failure to act of any public or governmental entity (except that acts or the failure to act of the County or Successor Agency shall not excuse performance by Successor Agency); or any other

acts or causes beyond the reasonable control of the Party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within thirty (30) days of the commencement of the cause. Force Majeure shall serve also to extend the time by which any condition, for the benefit of either Party, shall be satisfied under this Agreement. Notwithstanding any provision of this Agreement to the contrary, in no event shall adverse market conditions, interest rates, the lack of funding or difficulty obtaining the financing necessary to complete the Project constitute grounds of enforced delay pursuant to this Section.

17.13 Developer Covenant to Defend this Agreement. Developer acknowledges that each of Successor Agency and the County is a “public entity” and/or a “public agency” as defined under applicable California law. Therefore, Successor Agency and the County must satisfy the requirements of certain California statutes relating to the actions of public entities, including, without limitation, CEQA. Also, as a California public body, Successor Agency’s action in approving this Agreement, and the County’s action in approving assumption of this Agreement, may be subject to proceedings to invalidate this Agreement or mandamus. Developer assumes the risk of delays and damages that may result to Developer from any third-party legal actions related to Successor Agency’s and/or the County’s approval of this Agreement or the pursuit of the activities contemplated by this Agreement, including, without limitation, the County’s approval of any Project approvals and issuance of any permits required for development of the Project, even in the event that an error, omission or abuse of discretion by Successor Agency and/or the County is determined to have occurred. If a third-party files a legal action regarding Successor Agency’s and/or the County’s approval of this Agreement or the pursuit of the activities contemplated by this Agreement, including, without limitation, the County’s approval of any Project approvals and issuance of any permits required for development of the Project, Successor Agency may terminate this Agreement on thirty (30) days written notice to Developer of Successor Agency’s intent to terminate this Agreement, referencing this Section 17.13, without any further obligation to perform the terms of this Agreement and without any liability to Developer resulting from such termination, unless Developer unconditionally agrees to indemnify and defend the Indemnitees, with legal counsel reasonably acceptable to Successor Agency and the County, against such third-party legal action, as provided hereinafter in this Section 17.13; provided, however, that Successor Agency’s right to terminate under this Section 17.13 shall terminate upon conveyance of the Property to Developer. Within thirty (30) days after receipt of Successor Agency’s notice of intent to terminate this Agreement, as provided in the preceding sentence, Developer may in Developer’s sole and absolute discretion offer to defend Successor Agency and the County, with legal counsel reasonably acceptable to Successor Agency, in the third-party legal action and pay all of the court costs, attorney fees, monetary awards, sanctions, attorney fee awards, expert witness and consulting fees, and the expenses of any and all financial or performance obligations resulting from the disposition of the legal action. At the request of Developer, Successor Agency shall cooperate with and assist Developer in its defense of any such third-party legal action, provided that Successor Agency shall not be obligated to incur any expense in connection with such cooperation or assistance.

17.14 Nondiscrimination Covenants. Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

Developer shall refrain from restricting the rental, sale or lease of the Property on any of the bases listed above in this Section 17.14. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or

occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(c) In contracts: “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this Agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Section 17.14 shall, without regard to technical classification and designation, be binding for the benefit and in favor of Successor Agency and its successors and assigns, and shall remain in effect in perpetuity.

17.15 Consents and Approvals. Unless otherwise expressly set forth in this Agreement, any consents or approvals to be given by a Party under this Agreement shall not be unreasonably withheld, conditioned or delayed.

17.16 Third Party Beneficiary. The County is an intended third party beneficiary of this Agreement and shall have the right, but not the obligation, to enforce its terms including the rights and benefits that Successor Agency has under this Agreement. Except as provided in this Section 17.16, no person or entity other than Successor Agency, Developer, and the County, and the permitted successors and assigns of each of them, shall be authorized to enforce the provisions of this Agreement.

17.17 Termination. This Agreement shall automatically terminate upon the County’s issuance of a Release of Construction Covenants for the Project. Such termination shall not terminate any indemnification obligations set forth in this Agreement, or any other provisions in this Agreement which are expressly stated either in this Agreement or in the County Note, County Deed of Trust, or County Regulatory Agreement to survive termination of this Agreement.

[End of Agreement – Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed.

"Successor Agency"

**SANTA CRUZ COUNTY REDEVELOPMENT
SUCCESSOR AGENCY**, a public body,
corporate and politic

Date: _____

By: _____
Carlos J. Palacios, County Administrative
Officer

"Developer"

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation

Its: Sole member/manager


Date: October 16, 2019

By: 
Matthew O. Franklin
Assistant Secretary

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

[Additional Signature page to
Affordable Housing and Property Disposition Agreement]

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP


Allison LeMoine-Bui
Successor Agency Counsel

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

ATTACHMENTS

- 1 - Legal Description of Capitola Property
- 2 - Proposed Subdivisions
- 3 - Schedule of Performance
- 4 - Scope of Development
- 5 - Form of Grant Deed
- 6 - Form of Assignment of Contract
- 7 - Form of County Note
- 8 - Form of County Deed of Trust
- 9 - Project Budget
- 10 - Form of County Regulatory Agreement
- 11 - Form of Notice of Affordability
- 12 - Form of Release of Construction Covenants

ATTACHMENT NO. 1**LEGAL DESCRIPTION OF CAPITOLA PROPERTY**

The land referred to herein is described as follows:

SITUATE IN THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA AND DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEING A PART OF LOT 3, AS THE SAME IS SHOWN UPON THAT CERTAIN MAP ENTITLED "WILSON BROTHERS SUBDIVISION NO. 1", FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CRUZ COUNTY ON JUNE 6, 1916 IN MAP BOOK 18 AT PAGE 22, SANTA CRUZ COUNTY RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHERLY SIDE OF LOWER SOQUEL ROAD AS THE SAME IS SHOWN UPON THE ABOVE MENTIONED MAP, FROM WHICH THE NORTHWESTERLY CORNER OF LOT 1 AS SHOWN ON THE ABOVE MENTIONED MAP, BEARS SOUTH 69° 43' EAST 247.80 FEET DISTANT; THENCE LEAVING THE SOUTHERLY SIDE OF SAID COUNTY ROAD SOUTH 13° 50' WEST 406.79 FEET TO A STATION ON THE NORTHERLY BOUNDARY OF LOT 11 IN SAID TRACT; THENCE ALONG THE LAST MENTIONED BOUNDARY NORTH 75° 43' WEST 113.28 FEET TO A STATION; THENCE NORTH 13° 50' EAST 418.71 FEET TO THE SOUTHERLY SIDE OF SAID FIRST MENTIONED COUNTY ROAD; THENCE ALONG THE SOUTHERLY SIDE OF SAID ROAD SOUTH 69° 43' EAST 114.00 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF AS WAS CONVEYED IN THE DEED FROM FRANK DUARTE, ET UX., TO THE COUNTY OF SANTA CRUZ, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, RECORDED NOVEMBER 10, 1960 IN VOLUME 1354, PAGE 213, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

APN: 026-193-42

PARCEL TWO:

BEING A PART OF LOTS 2 AND 3 AS THE SAME ARE SHOWN UPON THAT CERTAIN MAP ENTITLED "WILSON BROTHERS SUBDIVISION NO. 1" FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SANTA CRUZ COUNTY ON JUNE 6, 1916 IN MAP BOOK 18 AT PAGE 22, SANTA CRUZ COUNTY RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHERLY SIDE OF THE LOWER SOQUEL ROAD, AS THE SAME IS SHOWN UPON THE ABOVE MENTIONED MAP, FROM WHICH THE NORTHWESTERLY CORNER OF LOT 1 AS SHOWN UPON THE ABOVE

MENTIONED MAP BEARS SOUTH 69° 43' EAST 172.80 FEET DISTANT; THENCE LEAVING THE SOUTHERLY SIDE OF SAID COUNTY ROAD SOUTH 13° 50' EAST 398.33 FEET TO A STATION ON THE NORTHERLY BOUNDARY OF LOT 12 IN SAID TRACT; THENCE ALONG SAID LAST MENTIONED BOUNDARY AND THE NORTHERLY BOUNDARY OF LOT 11 IN SAID TRACT NORTH 75° 43' WEST 74.255 FEET TO A STATION; THENCE NORTH 13° 50' EAST 406.79 FEET TO THE SOUTHERLY SIDE OF SAID FIRST MENTIONED COUNTY ROAD; THENCE SOUTH 69° 43' WEST 75 FEET TO THE PLACE OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED TO COUNTY OF SANTA CRUZ FOR THE WIDENING OF CAPITOLA ROAD BY DEED FROM CABRILLO DEVELOPMENT COMPANY, DATED AUGUST 30, 1960, RECORDED NOVEMBER 2, 1960 IN VOLUME 1352, PAGE 535, OFFICIAL RECORDS OF SANTA CRUZ COUNTY.

APN: 026-193-43

PARCEL THREE:

BEING a part of Lots 3 and 4, as the same are shown upon that certain map entitled "Wilson Brothers Subdivision No. 1", filed for record in the Office of the County Recorder of Santa Cruz County on June 6, 1916 in Map Book 18 at Page 22, Santa Cruz County Records and being more particularly bounded and described as follows:

BEGINNING at a station on the Southerly side of Lower Soquel or Capitola Road, from which the Southwest corner of said Lower Soquel or Capitola Road and Seventeenth Avenue, as the same are shown on the above mentioned Map bears South 69° 43' East 563.06 feet distant; said point of beginning being also the most Northerly corner of that certain parcel of land conveyed by J. S. Harwood, et al, to F. G. Wilson, et al, by Deed of Trust recorded in Volume 9 of Trust Deeds, Page 229, Santa Cruz County Recors; thence along the Westerly boundary of said last mentioned tract of land South 18° 50' West 418.87 feet to the Northerly boundary of Lot 11 as shown on said Map; thence along the Northerly boundary of said Lot 11 and Lot 10 North 75° 43' West 103.90 feet; thence in a straight line 429.49 feet to a point on the said Lower Soquel Road, distant 102.09 feet Westerly from the said point of beginning; South 69° 43' East and along said line of the said Lower Soquel Road 102.09 feet to the point of beginning.

EXCEPTING THEREFROM so much of the above described land as was conveyed by Walter Goulard, to County of Santa Cruz, a political subdivision of the State of California, recorded July 13, 1960 in Volume 1330, Page 162, Official Records of Santa Cruz County.

APN: 026-193-41

ATTACHMENT NO. 2
PROPOSED SUBDIVISIONS

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

GENERAL NOTES

LEGEND

-----	PRODUCT BOUNDARY
-----	(0) PROPERTY LINE
-----	ADJACENT LOT LINE
-----	REMOVE LOT LINE
-----	EXISTING LINE TO BE REMOVED
-----	CONTINUE

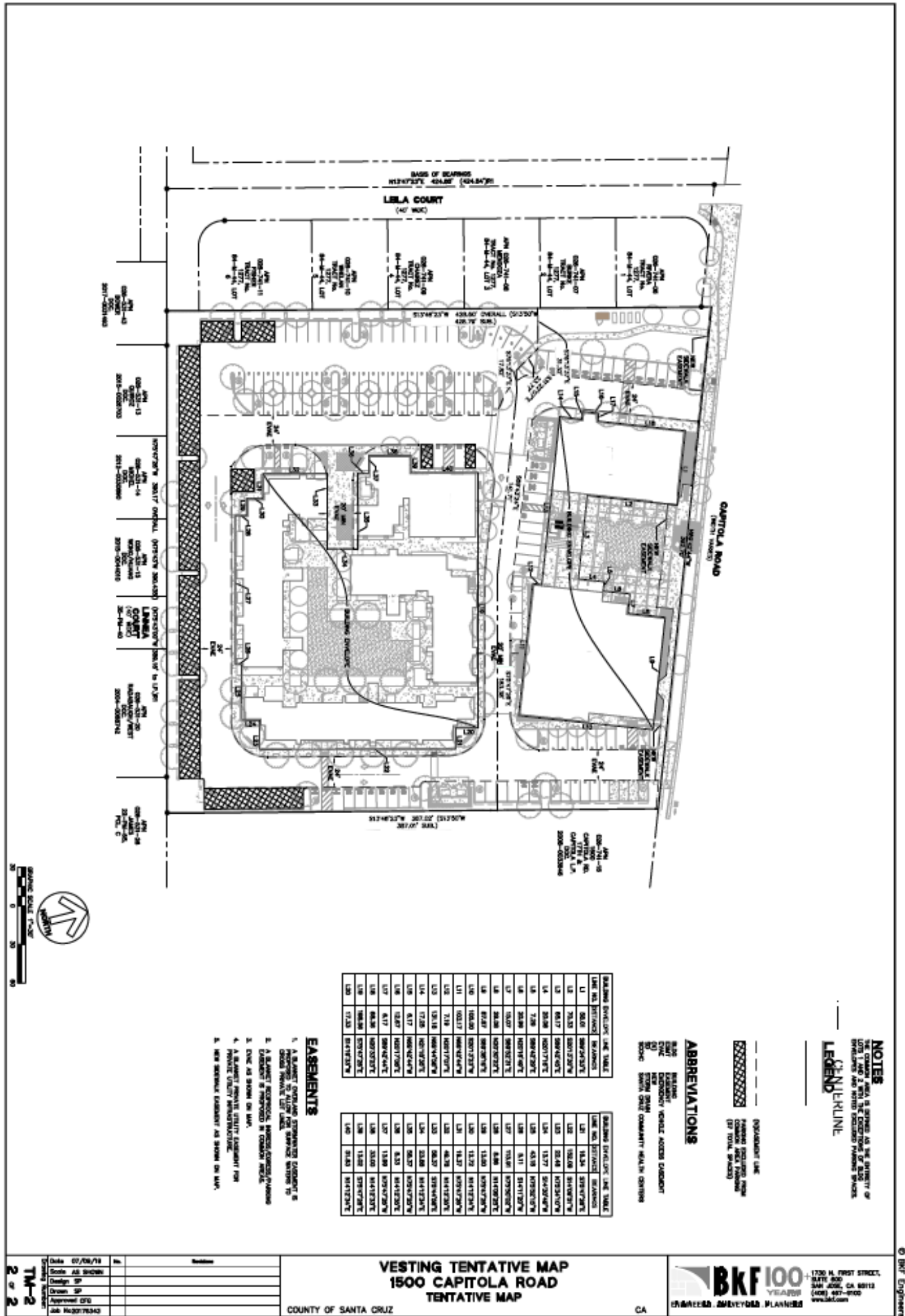
ENGINEER'S STATEMENT

THIS VOTING TENTATIVE PANEL MAP HAS BEEN PREPARED BY ME OR UNDER MY SUPERVISION IN ACCORDANCE WITH STANDARD BUSINESS PRACTICE.



COUNTY OF SANTA CRUZ

BkF 100 + 1730 N. FIRST STREET,
SUITE 600
SAN JOSE, CA 95112
YEARS
(408) 487-9100
www.bkf.com



ATTACHMENT NO. 3
SCHEDULE OF PERFORMANCE

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

<u>Task/Event</u>	<u>Time for Performance</u>
1. Developer submits copies of Developer's most recent audited Financial Statement and most recent internally prepared, unaudited financial statement (Section 6.5)	Within five (5) days after the Effective Date
2. Successor Agency provides Preliminary Title Report for the Capitola Property (Section 5.8)	Within thirty (30) days after the Effective Date
3. Developer provides written notice of approval or disapproval of Title Exceptions (Section 5.8)	Within fifteen (15) days of the later of the receipt of the Preliminary Title Report or the date Developer receives the documents underlying Title Exceptions
4. Developer to submit application for all discretionary permits (Section 4)	<u>Complete</u>
5. Developer provides to Successor Agency a copy of all reports, studies and test results prepared by Developer's consultants, without representation or warranty (Section 5.1)	Within five (5) days after Developer's receipt
6. Developer submits evidence of preliminary commitments for Project financing to County Administrative Officer (Section 6.6)	Within five (5) days of Developer's receipt of formal written notification of preliminary award by financing entity
7. Developer submits Project design plans (construction plans for building permit) to Successor Agency (Section 10.3)	Within ninety (90) days of obtaining all preliminary commitments for Project Financing
8. Successor Agency approval of Project design plans (construction plans for building permit) (Section 10.3)	Within thirty (30) days after Developer's submission to Successor Agency
9. Developer provides evidence of insurance to Successor Agency (Sections 7.2(b), 10.6)	Prior to, and as a condition of, the Close of Escrow
10. Successor Agency approves or disapproves Developer's evidence of insurance (Sections 7.2(b), 10.6)	Within fifteen (15) days after submittal by Developer

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

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|---|--|
| 11. Developer executes and delivers to Successor Agency or Escrow Holder Grant Deed, County Regulatory Agreement, County Deed of Trust, and Notice of Affordability Restrictions (Section 7.2(r)) | Prior to, and as a condition of, the Close of Escrow |
| 12. Successor Agency executes and delivers to Escrow Holder Grant Deed, County Regulatory Agreement, and Notice of Affordability Restrictions (Section 8.1) | Prior to, and as a condition of, the Close of Escrow |
| 13. Developer executes and delivers to Successor Agency the County Note (Section 7.2(r)) | Prior to, and as a condition of, the Close of Escrow |
| 14. All of Developer's and County's conditions precedent to the Close of Escrow have been satisfied, or waived by the appropriate Party, and the Close of Escrow occurs (Section 8.1) | No later than the Outside Closing Date |
| 15. Developer submits an application to TCAC for 9% Tax Credits (Section 6.3) | In the first round of applications for 9% Tax Credits following the Effective Date; and if despite Developer's good faith efforts to obtain an allocation in such round, and due to no fault of Developer, Developer does not receive such an allocation, then in the second round of applications for 9% Tax Credits following the Effective Date |
| 16. If despite Developer's good faith efforts to obtain an allocation of 9% Tax Credits in the first and second round of applications for 9% Tax Credits following the Effective Date, and due to no fault of Developer, Developer does not receive such an allocation, Developer submits an application to CDLAC for Tax-Exempt bonds, and an application to TCAC for 4% Tax Credits (Section 6.3) | Within twenty four (24) months after the Effective Date |

- | | |
|---|--|
| 17. Developer submits to the County Administrative Officer for review and approval all preliminary commitments for the Project Financing (Section 6.6) | Promptly upon receipt of an allocation of Tax Credits from TCAC |
| 18. Close of Developer's Project Financing (if early closing occurs pursuant to Section 2.2(a)) | Not later than December 31, 2021 |
| 19. Escrow Holder disburses portions of County Development Loan (Section 9.1) | Within fifteen (15) days after Escrow Holder's receipt of a satisfactory disbursement request, approved by County |
| 20. Developer submits to Planning Director person or entity proposed as the Property Manager (County Regulatory Agreement, Section 7.01) | Within ninety (90) days prior to Developer's completion of Project. |
| 21. Developer submits for Planning Director's review and approval, Management Plan for the Project (County Regulatory Agreement, Section 7.02) | Within ninety (90) days prior to Developer's completion of Project |
| 22. Developer completes construction of the Project, obtains a certificate of occupancy from the County (or equivalent document if County does not issue certificate of occupancy), and requests County issue of Release of Construction Covenants (Sections 10.1 and 10.5) | Within twenty (20) months after Developer commences construction |
| 23. County issues a Release of Construction Covenants or provides Developer with a written explanation why a Release of Construction Covenants shall not be issued (Section 10.15) | Within ten (10) business days after County receipt of written request from Developer for Release of Construction Covenants pursuant to Section 10.5 of the Agreement |
| 24. Developer set aside Operating Reserve and Capital Replacement Reserve and provides evidence thereof to Planning Director (County Regulatory Agreement, Sections 10 & 11) | At close of Take-Out Loan |
| 25. Developer performs final audit to determine Cost Savings for the Project (Section 6.8a) | Prior to the Conversion Date |

- | | |
|--|---|
| 26. Developer provides Cost Savings to County (Section 6.8b) | The later of sixty (60) days after receipt by Developer of the final investor capital contribution and County's issuance of a Release of Construction Covenants |
| 27. Developer submits to County an accounting of the Capital Replacement Reserve. (Affordable Housing Regulatory Agreement, Section 10) | On or before April 1 of each year subsequent to completion of construction of the Project. |
| 28. Developer submits annual report pursuant to Health and Safety Code Section 33418 to County (County Regulatory Agreement, Section 9.02) | No later than September 1 following the June 30 end of each fiscal year for the term of the County Regulatory Agreement |

It is expressly understood and agreed by the Parties that the foregoing schedule of performance is subject to all of the terms and conditions set forth in the text of the Agreement including, without limitation, extension due to Force Majeure. Times of performance under the Agreement may be extended by request of any Party memorialized by a mutual written agreement between the Parties, which agreement may be granted or denied in the non-requesting Party's sole and absolute discretion (subject to events of force majeure set forth in this Agreement).

ATTACHMENT NO. 4**SCOPE OF DEVELOPMENT**

The Project will be comprised of four wood-framed buildings no more than three stories tall. The buildings will house one, two, and three bedroom rental apartments with adjacent on-grade parking for residents and their guests, as well as parking shared between the Project and the adjacent Dientes Component of Capitola Project and SCCHC Component of Capitola Project. The Project will contain 57 rental apartments. One of these apartments will be reserved for the manager to live on-site. In addition to the residential apartments, the Project will include common area facilities, including landscaped outdoor space, an indoor community space, a leasing office, a resident services office, a laundry room and a bicycle storage room. Additional features will include a maintenance shed and a trash enclosure. The Project will have access to Capitola Road by two vehicular drive aisles and a pedestrian pathway.

The Project shall be developed in compliance with the terms and conditions of Resolution No. 2019-08, adopted by the Santa Cruz Board of Supervisors on November 5, 2019, and all conditions of approval issued in connection therewith.

ATTACHMENT NO. 5
FORM OF GRANT DEED

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

MP Live Oak Associates, L.P.
303 Vintage Park Drive, Suite 250
Foster City, CA 94404
Attn: _____

AND ALL TAX STATEMENTS TO:

SAME AS ABOVE

(Space Above for Recorder's Use)
Exempt from Recordation Fee per Gov. Code
§ 27383

DOCUMENTARY TRANSFER TAX IS
\$_____ Computed on the
consideration or value of property
conveyed.

The undersigned declares exemption
under the following: Exempt from fee per
Government Code Section 27388.1
(a)(2); recorded concurrently in
connection with a transfer subject to the
imposition of documentary transfer tax

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, SANTA CRUZ COUNTY REDEVELOPMENT SUCCESSOR AGENCY, a public body, corporate and politic ("**Grantor**"), hereby grants to MP LIVE OAK ASSOCIATES, L.P., a California limited partnership ("**Grantee**"), the real property located in the County of Santa Cruz, State of California, described on Exhibit 1 attached hereto and made a part hereof (the "**Property**"), with all improvements thereon, subject to all matters of record and subject to the following:

Grantee, on behalf of itself and its successors and assigns to all or any portion of the Property, covenants and agrees as follows:

1. Nondiscrimination Covenants. Grantee covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or

occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land. The foregoing covenants shall run with the land.

2. Nondiscrimination Clauses in Agreements. Grantee agrees for itself and any successor in interest that Grantee shall refrain from restricting the rental, sale, or lease of any portion of the Property, or contracts relating to the rental, sale, or lease of the Property, on the basis of race, color, creed, religion, sex, marital status, ancestry, or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: "That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) In contracts relating to the sale, transfer, or leasing of the land or any interest therein: "There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection,

location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The foregoing nondiscrimination covenants shall remain in effect in perpetuity.

[Signatures on next page]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

GRANTOR:

**SANTA CRUZ COUNTY REDEVELOPMENT
SUCCESSOR AGENCY**, a public body,
corporate and politic

Date: _____

By: _____
Carlos J. Palacios, County Administrative
Officer

ATTEST:

GRANTEE:

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation
Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit 1 to Grant Deed

Legal Description

[To be inserted prior to Close of Escrow]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

ATTACHMENT NO. 6
ASSIGNMENT OF ARCHITECTURAL AGREEMENTS

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS

FOR VALUE RECEIVED, the undersigned, MP LIVE OAK ASSOCIATES, L.P., a California limited partnership ("**Developer**"), assigns to COUNTY OF SANTA CRUZ, a political subdivision of the State of California ("**County**"), all of its right, title and interest in and to:

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, "**Architectural Agreements**"), and

2. All plans and specifications, blueprints, sketches, shop drawings, working drawings, landscape plans, utilities plans, soils reports, noise studies, environmental assessment reports, and grading plans, and all amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively, "**Plans and Specifications**"), heretofore or hereafter entered into or prepared by any architect, engineer or other person or entity (collectively, "**Architect**"), for or on behalf of Developer in connection with the Real Property described on Exhibit "A" attached hereto. The Plans and Specifications, as of the date hereof, are those which Developer have heretofore, or will hereafter deliver to County. The Architectural Agreements include, but are not limited to, the architectural agreement or contract between Wald, Ruhnke, & Dost Architects LLP and MidPen Housing Corporation, dated June 6, 2018.

This ASSIGNMENT OF ARCHITECTURAL AGREEMENTS AND PLANS AND SPECIFICATIONS ("**Assignment**") constitutes a present, absolute and unconditional assignment to County.

Developer acknowledges that by accepting this Assignment, County does not assume any of Developer's obligations under the Architectural Agreements with respect to the Plans and Specifications.

Developer represents and warrants to County that: (a) no default by Developer, or event which would constitute a default by Developer after notice or the passage of time, or both, exists with respect to said Architectural Agreements, and (b) all copies of the Architectural Agreements and Plans and Specifications delivered to County are complete and correct. Developer has not assigned any of its rights under the Architectural Agreements or with respect to the Plans and Specifications. Notwithstanding the foregoing, this Assignment shall be subordinated to any assignment required to be made by Developer to the "Construction Lender" (as that term is defined in that certain Affordable Housing and Property Disposition Agreement entered into by and between the Santa Cruz County Redevelopment Successor Agency (the predecessor-in-interest to County) and Developer on or about January __, 2020 (the "**AHPDA**")) at the "Close of Escrow" (as that term is defined in the AHPDA).

This Assignment shall be governed by the laws of the State of California, except to the extent that federal laws preempt the laws of the State of California, and Developer consents to the jurisdiction of any federal or state court within the State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorneys' fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Developer and County.

The attached Architect's/Engineer's Consent and Exhibit "A" are incorporated by reference.

Executed by _____ on _____, 20__.

"Developer"

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation
Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

"County"

COUNTY OF SANTA CRUZ, a political subdivision
of the State of California

Date: _____

By: _____
Kathleen Molloy, Planning Director

ARCHITECT'S/ENGINEER'S CONSENT

The undersigned architect and/or engineer (collectively referred to as "**Architect**") hereby consents to the foregoing Assignment to which this Architect's/Engineer's Consent ("**Consent**") is a part, and acknowledges that there presently exists no unpaid claims due to the Architect/Engineer arising out of the preparation and delivery of the Plans and Specifications to _____ and/or the performance of the Architect's obligations under the Architectural Agreements described in the Assignment.

Architect agrees that, by virtue of the foregoing Assignment, County has succeeded to all of _____'s right, title and interest in, to and under the Architectural Agreements and the Plans and Specifications and, therefore, so long as the Architect continues to receive the compensation called for under the Architectural Agreements, County and its successors and assigns may, at their option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Architectural Agreements for the benefit and account of County and its successors and assigns in the same manner as if performed for the benefit or account of _____ in the absence of the Assignment.

Architect warrants and presents that it/he has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Architectural Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

Executed on _____, 20__.

"Architect"

_____,
a _____

By: _____

Name: _____

Its: _____

Architect's Address:

Phone No.: (____) _____

Fax No.: (____) _____

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

EXHIBIT "A"**PROPERTY DESCRIPTION**

[To be inserted prior to Close of Escrow]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

ATTACHMENT NO. 7**COUNTY NOTE**

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

PROMISSORY NOTE

\$5,315,585

_____, 20__

Santa Cruz, California

FOR VALUE RECEIVED, MP LIVE OAK ASSOCIATES, L.P., a California limited partnership ("**Borrower**"), as maker and obligor, promises to pay to the **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California ("**County**"), as holder and beneficiary, or order, at County's office at 701 Ocean Street, Room 418, Santa Cruz, CA 95060, or such other place as County may designate in writing, the sum of (a) Five Million Three Hundred Fifteen Thousand Dollars (\$5,315,585), or so much thereof as may be disbursed hereunder ("**Note Amount**"), and (b) all costs and expenses payable hereunder, in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

1. Agreement. This County Promissory Note ("**Note**") is given in accordance with that certain Affordable Housing and Property Disposition Agreement executed by the Santa Cruz County Redevelopment Successor Agency ("**Successor Agency**"), as "Successor Agency," and thereafter assigned by Successor Agency to County, and Borrower, dated as of January __, 2020 ("**Agreement**"). The rights and obligations of Borrower and County under this Note shall be governed by the Agreement and by the additional terms set forth in this Note. In the event of any inconsistencies between the terms of this Note and the terms of the Agreement or any other document related to the Note Amount, the terms of this Note shall prevail. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Agreement. An Event of Default by Developer under any of the provisions of the Agreement, and/or a default under any and all attachments and all breakout documents executed, attested and/or recorded in implementation of the Agreement, including, without limitation, the County Deed of Trust and County Regulatory Agreement, or the income and/or rent restrictions as set forth in the regulatory agreement which may be required to be recorded against the Property with respect to the issuance of Tax Credits for the Project and/or the regulatory agreement with the institutional lender responsible for placing the Tax-Exempt Bonds (collectively, the "**Transaction Documents**") shall, after the expiration of any cure period under the respective agreement or document, be a default under this Note (a "**Default**"), and a default under this Note, after notice and expiration of a ten (10) day cure period, shall be an Event of Default under the Agreement and a default under the Transaction Documents.

2. Interest. The Note Amount shall bear simple interest at three percent (3%) per annum.

3. Repayment of Note Amount. The Note Amount shall be paid by the Borrower's annual payment to County of fifty percent (50%) of the Residual Receipts from operation of the Project, as determined by a Residual Receipts calculation from the

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

operation of the Project the preceding calendar year; provided, however, that said fifty percent (50%) shall be divided proportionately with the lender(s) of any other loan(s) obtained by Borrower that is payable from Residual Receipts. Annual Residual Receipts payments shall be made by the Borrower by cashier's check and shall be delivered on or before June 1st for each year during the term of this Note commencing in the first calendar year following the date construction of the Project has been completed, as evidenced by Borrower's obtainment of a certificate of occupancy (or other equivalent document, if the County of Santa Cruz does not issue certificates of occupancy), and continuing until the Note Amount and all unpaid interest thereon has been repaid in full. Additionally, the Note Amount shall be paid by any or all of the following: (i) one hundred percent (100%) of the Refinancing Net Proceeds immediately upon any refinancing of the loans secured by the Property (or any part thereof), subject to any required pro rata split with other public agency lenders, to the extent applicable, (ii) one hundred percent (100%) of the Transfer Net Proceeds immediately upon any transfer in whole or in part of the Project, subject to any required pro rata split with other public agency lenders, to the extent applicable, and (iii) any Cost Savings, pursuant to Section 6.8 of the Agreement.

As used herein, "*Affiliate*" means any "Person," directly or indirectly, "Controlling" or "Controlled" by or under common "Control" with Borrower, whether by direct or indirect ownership of equity interests, by contract or otherwise, where "**Person**" means any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind, "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of equity interests, by contract or otherwise, and "**Controlling**" and "**Controlled**" means exercising or having Control.

As used herein, "*Annual Financial Statement*" means each certified financial statement of Borrower for the Project using generally accepted accounting principles ("GAAP"), as separately accounted for this Project, including Operating Expenses and Annual Project Revenue, prepared annually at Borrower's expense, by an independent certified public accountant reasonably acceptable to County.

As used herein, "*Annual Project Revenue*" means all gross income and all revenues of any kind from the Project in a calendar year, of whatever form or nature, whether direct or indirect, with the exception of the items excluded below, actually received by or paid to or for the account or benefit of Borrower or any of their agents or employees, from any and all sources, resulting from or attributable to the ownership, operation, leasing and occupancy of the Project, determined on the basis of generally accepted accounting principles applied on a consistent basis, and shall include, but not be limited to: (i) gross rentals paid by tenants of the Project under leases, and payments and subsidies of whatever nature, including without limitation any payments, vouchers or subsidies from the U.S. Department of Housing and Urban Development or any other person or organization, received on behalf of tenants under their leases, (ii) amounts paid by residents of the Project to Borrower or any Affiliate of Borrower on account of Operating Expenses for further disbursement by Borrower or such Affiliate to a third party or parties,

(iii) late charges and interest paid on rentals, (iv) rents and receipts from licenses, concessions, vending machines, coin laundry and similar sources, (v) other fees, charges or payments not denominated as rental but payable to Borrower in connection with the rental of office, retail, storage, or other space in the Project, (vi) consideration received in whole or in part for the cancellation, modification, extension or renewal of leases, and (vii) interest and other investment earnings on security deposits, reserve accounts and other Project accounts to the extent disbursed for other than the purpose of the reserve. Notwithstanding the foregoing, gross income shall not include the following items: (a) security deposits from tenants (except when applied by Borrower to rent or other amounts owing by tenants); (b) capital contributions to Borrower by its members, partners or shareholders (including capital contributions required to pay any Deferred Developer Fee); (c) condemnation or insurance proceeds; (d) funds received from any source actually and directly used for initial development of the Project; (e) receipt by an Affiliate of management fees or other bona fide arms-length payments for reasonable and necessary Operating Expenses associated with the Project; (f) Transfer Net Proceeds; or (g) Refinancing Net Proceeds.

As used herein “*Capital Replacement Reserve*” shall have the meaning ascribed thereto in the County Regulatory Agreement.

As used herein, “*CPI Adjustment*” means the increase in the cost of living index, as measured by the Consumer Price Index for all urban consumers, San Francisco-Oakland-Hayward statistical area, all items (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (“CPI”) in effect as of the date on which a certificate of occupancy is issued for the Project (or other equivalent document if the County of Santa Cruz does not issue certificates of occupancy) to the CPI in effect as of the date on which an adjustment is made. If such index is discontinued or revised, such other index with which such index is replaced (or if not replaced, another index which reasonably reflects and monitors consumer prices) shall be used in order to obtain substantially the same results as would have been obtained if the discontinued index had not been discontinued or revised. If the CPI is changed so that the base year is other than 1982-84, the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

As used herein, “*Debt Service*” means payments made in a calendar year pursuant to the approved Construction Loan or the Take-Out Loan, as applicable, obtained for the construction/development, and ownership of the Project, as set forth in the Project Budget, or any permitted refinancing or modification thereof, but excluding payments made pursuant to this Note, and payments made on any other “soft” debt.

As used herein, “*Deferred Developer Fee*” means the portion of the Borrower’s development fee, if any, that is payable out of the Annual Project Revenue and not from capital sources, as set forth in the Project Budget. Disbursement of the Deferred Developer Fee (all or any part thereof) shall be subject to the provisions of the next paragraph.

In connection with Borrower's eligibility to disburse all or any part of the Deferred Developer Fee, in the event the cost of completing the Project exceeds the amount set forth in the final Budget; then, to the extent necessary, the funds otherwise available to pay the developer fee from capital sources shall be expended and used to pay the remaining costs of completing the Project to the extent necessary to ensure the completion of the Project and the balance of the developer fee shall be paid as Deferred Developer Fee in accordance with the priority set forth in the Partnership Agreement, and/or payable from the proceeds of any approved refinancing or transfer of the Property and/or the Project. In no event shall Borrower be eligible for disbursement of the Deferred Developer Fee or any part thereof prior to completion of the Project, as approved by the Planning Director as evidenced by the issuance by County of the Release of Construction Covenants.

As used herein, "*Operating Expenses*" means actual, reasonable and customary (for comparable high quality rental developments in Santa Cruz County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Project in a calendar year, which are in accordance with the annual Operating Budget approved by County pursuant to Section 9 of the County Regulatory Agreement, including, without limitation, painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, fees and expenses of property management, fees and expenses of accountants, attorneys and other professionals, and other actual, reasonable and customary operating costs which are directly incurred and paid by Borrower, but which are not paid from or eligible to be paid from the Operating Reserve or any other reserve accounts. In addition, Operating Expenses shall include a social services fee in an amount approved by County, as evidenced by County's approval of Borrower's Project Budget, which amount shall be increased annually thereafter by three percent (3%) per year, provided Borrower provides the social services described in (a) the Tenant Services Agreement that was included in Borrower's tax credit application, and (b) the Scope of Development. Operating Expenses shall not include any of the following: (i) salaries of employees of Borrower or Borrower's general overhead expenses, or expenses, costs and fees paid to an Affiliate of Borrower, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms' length transaction between unrelated parties in the Santa Cruz County area for the same work or services; (ii) any amounts paid directly by a tenant of the Project to a third party in connection with expenses which, if incurred by Borrower, would be Operating Expenses; (iii) optional or elective payments with respect to the Construction Loan; (iv) any payments with respect to any Project-related loan or financing that has not been approved by County; (v) expenses, expenditures, and charges of any nature whatsoever arising or incurred by Borrower prior to completion of the Project with respect to the development of the Project, or any portion thereof, including, without limitation, all predevelopment and preconstruction activities conducted by Borrower in connection with the Project, including without limitation, the preparation of all plans and the performance of any tests, studies, investigations or other work, and the construction of the Project and any on site or off site work in connection therewith; or (vi)

depreciation, amortization, and accrued principal and interest expense on deferred payment debt.

As used herein, “*Operating Reserve*” shall have the meaning ascribed thereto in the County Regulatory Agreement.

As used herein, “*Partnership Agreement*” means the agreement which sets forth the terms of the Borrower’s limited partnership, as such agreement may be amended from time to time.

As used herein, “*Refinancing Net Proceeds*” means the proceeds of any approved refinancing of the Construction Loan, the Take-Out Loan, or other approved financing secured by the Property, net of the following actual costs and fees incurred: (i) the amount of the financing which is satisfied out of such proceeds, (ii) reasonable and customary costs and expenses incurred in connection with the refinancing, (iii) the balance, if any, of the Deferred Developer Fee, (iv) the balance, if any, of authorized loans to the Project made by the limited partners of Borrower, including interest at the rate set forth in the Partnership Agreement for such loans, (v) the balance, if any, of authorized operating loans or development loans made by the general partners of a limited partnership that succeeds to Borrower’s interest in the Agreement and the Project, including interest at the rate set forth in the Partnership Agreement for such loans, (vi) the return of capital contributions, if any, to the Project made by the general partners of a limited partnership that succeeds to Borrower’s interest in the Agreement and the Project, and (vii) the amount of proceeds required to be reserved for the repair, rehabilitation, reconstruction or refurbishment of the Project.

As used herein, “*Reserve Deposits*” means any payments to the Capital Replacement Reserve account and payments to the Operating Reserve account pursuant to Sections 10 and 11, respectively, of County Regulatory Agreement or such higher amounts as may be otherwise required by (i) any lender of a Project-related loan that has been approved by County, or (ii) the Investor, pursuant to the terms of the Partnership Agreement.

As used herein, “*Residual Receipts*” means Annual Project Revenue less the sum of:

- (i) Operating Expenses;
- (ii) Debt Service;
- (iii) Reserve Deposits to the Capital Replacement Reserve;
- (iv) Reserve Deposits to the Operating Reserve;
- (v) Deferred Developer Fees;

(vi) Unpaid Tax Credit adjustment amounts, if any, pursuant to the Partnership Agreement;

(vii) Current asset management fee in an amount approved by County, as evidenced by County's approval of Borrower's Project Budget, which shall be increased annually thereafter by three percent (3%);

(viii) Current partnership management fee in an amount approved by County, as evidenced by County's approval of Borrower's Project Budget, which shall be increased annually thereafter by three percent (3%);

(ix) Repayment of loans to the Project, if any, made by the limited partner(s) of Borrower pursuant to the Partnership Agreement, including interest at the rate set forth in the Partnership Agreement, for eligible development and/or operating expense deficits or other eligible loans (provided that if made during the compliance period Borrower shall provide to Planning Director documentation showing the propriety of such loan(s) and if made subsequent to the expiration of the compliance period each such loan must be reasonably approved by the Planning Director before being provided to the Project after review of documentation provided by Borrower showing propriety of such loans);

(x) Repayment to the administrative and/or managing general partners of Borrower for loans to the Project for development advance(s) pursuant to the Partnership Agreement, operating deficit advance(s) pursuant to the Partnership Agreement, credit adjuster payment(s) pursuant to the Partnership Agreement, and/or development fee advance(s) pursuant to the Partnership Agreement, and with all such loans to be repaid without interest (provided that if made during the compliance period, then if Borrower wants to deduct the repayments of such loans from Annual Project Revenue for purposes of calculating Residual Receipts, Borrower shall provide to Planning Director documentation showing the propriety of such loan(s) and if made subsequent to the expiration of the compliance period each such loan must be reasonably approved by the Planning Director before being provided to the Project after review of documentation provided by Borrower showing propriety of such loans); and

(xi) Repayment to the administrative and/or managing general partners of Borrower of certain loans made to the Project after the expiration or earlier termination of the Partnership Agreement to cover shortfalls in funding for Operating Expenses in excess of the Operating Expenses included in the approved annual Operating Budget for the year in which such loan is made (if at all), all such loans to be repaid without interest (provided that if made during the compliance period, then if Borrower wants to deduct the repayments of such loans from Annual Project Revenue for purposes of calculating Residual Receipts, Borrower shall provide to Planning Director documentation showing the propriety of such loan(s) and if made subsequent to the expiration of the compliance period each such loan must be reasonably approved by the Planning Director before being provided to the Project after review of documentation provided by Borrower showing propriety of such loans); and

In the event any calculation of Annual Project Revenue less subsections (i) through (xi) inclusive above results in a negative number, then Residual Receipts shall be zero (\$0) for that year and shall not carry over to the next or any other subsequent year.

In addition, none of the fees, costs, expenses, or items described above in calculation of Residual Receipts shall include any duplicate entry/item, or double accounting for a cost item. The calculation of Residual Receipts shall be conducted at Borrower's sole cost and expense, by a third party auditor and submitted to Borrower annually, along with Borrower's payment of Residual Receipts.

As used herein, "*Transfer Net Proceeds*" means the proceeds of any sale or other transfer, in whole or part, of the Property or Borrower's interests therein, net only of (i) the reasonable and customary costs and expenses incurred in connection with such transfer; (ii) the amount of the financing which is satisfied out of such proceeds, (iii) the balance, if any, of the Deferred Developer Fee, (iv) the balance, if any, of loans to the Project made by the limited partners of Borrower, including interest thereon as provided in the Partnership Agreement, (v) the balance, if any, of operating loans or development loans made by the general partners of Borrower, including interest thereon as provided in the Partnership Agreement, and (vi) the return of capital contributions, if any, to the Project made by the general partners of Borrower.

4. Security. Borrower's obligations under this Note and the Agreement shall, at all times during which any amount remains outstanding hereunder, be secured by the County Deed of Trust, which County Deed of Trust shall only be subordinated to the approved deed(s) of trust for the Construction Loan and Take-Out Loan, and if applicable any loan from the California Department of Housing and Community Development where such subordination is required pursuant to applicable regulations, and such encumbrances approved by County in writing, pursuant to a written subordination agreement in a form approved by County counsel. Upon execution of the same, the terms of the County Deed of Trust are incorporated herein and made a part hereof to the same extent and with the same force and effect as if fully set forth herein.

5. Maturity. This Note shall be due and payable on the fifty-fifth (55th) anniversary of the date a certificate of occupancy has been issued for the Project (or other equivalent document if the County of Santa Cruz does not issue certificates of occupancy).

6. Application of Payments. All payments shall be applied (i) first, to costs and fees owing under this Note, (ii) second, to the payment of unpaid accrued interest owing under this Note for each calendar year in which no payment was made by Borrower pursuant to Section 3 above, (iii) third, to the payment of accrued interest for the preceding calendar year, and (iv) fourth, to payment of principal.

7. Waivers.

(a) Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time at County's sole discretion and that County may

accept security in consideration for any such extension or release any security for this Note at its sole discretion all without in any way affecting the liability of Borrower.

(b) No extension of time for payment of this Note made by agreement by County with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part.

(c) The obligations of Borrower under this Note shall be absolute and Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) Borrower waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights or interests in or to properties securing this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

(e) No previous waiver and no failure or delay by County in acting with respect to the terms of this Note or the County Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the County Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the County Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

8. Attorneys' Fees and Costs. Borrower agrees that if any amounts due under this Note are not paid when due, Borrower will pay all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

9. Joint and Several Obligation. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors and assigns.

10. Amendments and Modifications. This Note may not be changed orally, but only by an amendment approved by County and evidenced in a writing signed by Borrower and by County.

11. County May Assign. County may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower.

12. Borrower Assignment Prohibited. In no event shall Borrower assign or transfer any portion of this Note without the prior express written consent of County, which consent shall not unreasonably be withheld, except pursuant to a transfer that is authorized under Section 15 of the Agreement.

13. Acceleration and Other Remedies. Upon the occurrence of a Default, County may, at County's option, declare the outstanding principal amount of this Note,

together with the then accrued and unpaid interest thereon and other charges hereunder, and all other sums secured by the County Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and interest and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the County Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. County shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as County may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of County in exercising any right hereunder, under the Agreement or under the County Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable hereunder, or part thereof, after the due date of such payment shall not be a waiver of County's right to either require prompt payment when due of all other sums payable hereunder or to declare a Default for failure to make prompt or complete payment.

14. Alternate Rate. Upon the occurrence of any Default, or upon the maturity hereof (by acceleration or otherwise), the entire unpaid principal sum, at the option of County, shall bear interest, from the date of occurrence of such Default or maturity and after judgment and until collection, at the "**Alternate Rate**", such rate being the highest interest rate then permitted by law. Interest calculated at the Alternate Rate, when and if applicable, shall be due and payable immediately without notice or demand. Borrower agrees that in the event of any Default, County will incur additional expense in servicing the loan evidenced by this Note and will suffer damage and loss resulting from such Default. Borrower agrees that in such event County shall be entitled to damages for the detriment caused thereby, which damages are extremely difficult and impractical to ascertain. Therefore, Borrower agrees that the Alternate Rate (as applied to the unpaid principal balance, accrued interest, fees, costs and expenses incurred) is a reasonable estimate of such damages to County, and Borrower agrees to pay such sum on demand.

15. Consents. Borrower hereby consents to: (a) any extension (whether one or more) of the time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the granting of any other indulgences to Borrower, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such extension, release, surrender, exchange or substitution may be made without notice to Borrower or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

16. Interest Rate Limitation. County and Borrower stipulate and agree that none of the terms and provisions contained herein or in any of the loan instruments shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted

to be charged by the laws of the State of California. In such event, if any holder of this Note shall collect monies which are deemed to constitute interest which would otherwise increase the effective interest rate on this Note to a rate in excess of the maximum rate permitted to be charged by the laws of the State of California, all such sums deemed to constitute interest in excess of such maximum rate shall, at the option of such holder, be credited to the payment of the sums due hereunder or returned to Borrower.

17. Successors and Assigns. Whenever "County" is referred to in this Note, such reference shall be deemed to include County and its successors and assigns, including, without limitation, any successor to its rights, powers, and responsibilities, and any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Borrower, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of County and County's successors and assigns.

18. Miscellaneous. Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Borrower irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Santa Cruz or the United States District Court of the Northern District of California, as County may deem appropriate, in connection with any legal action or proceeding arising out of or relating to this Note. Borrower also waives any objection regarding personal or in rem jurisdiction or venue.

19. Non-Recourse Obligation. Borrower and its partners shall not be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights County may have (as a secured party or otherwise) hereunder or under the Agreement or the County Deed of Trust to recover directly from Borrower any amounts, or any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by County as a result of fraud, intentional misrepresentation or bad faith waste, and any costs and expenses incurred by County in connection therewith (including without limitation reasonable attorneys' fees and costs).

20. Accounting.

(a) **Accounting Terms and Determinations.** Unless otherwise specified herein, (i) all accounting terms used herein shall be interpreted, (ii) all accounting determinations hereunder shall be made, and (c) all books, records and financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP, consistently applied, except for changes approved by County.

(b) **Financial Reporting and Accounting Covenants.** Borrower shall permit the representatives of County at any time or from time to time, upon three (3) business days' notice and during normal business hours, to inspect, audit, and copy all

of Borrower's books, records, and accounts relating to the Property. Borrower shall furnish or cause to be furnished to County the following:

(i) **Annual Financial Statement.** Borrower shall submit to County, on or before May 1 of each year commencing in the first year after the issuance of the first certificate of occupancy for the Project, an Annual Financial Statement, with respect to the Project that has been reviewed by an independent certified public accountant, together with an expressed written opinion of the certified public accountant that such Annual Financial Statement presents the financial position, results of operations, and cash flows of the Project fairly and in accordance with GAAP.

(ii) **Tax Returns.** As soon as available, but in no event later than thirty (30) days after the time of filing with the Internal Revenue Service, the federal tax returns (and supporting schedules, if any) of Borrower.

(iii) **Audit Reports.** Not later than ten (10) days after receipt thereof by Borrower, copies of all reports submitted to Borrower by independent public accountants in connection with each annual, interim or special audit of the financial statements of Borrower, made by such accountants, including the comment letter submitted by such accountants to management in connection with their annual audit. If any such audit report results in Borrower restating Residual Receipts upward for any calendar year, then Borrower shall accompany delivery of such audit report to County with the additional payment to County resulting from said restatement pursuant to Section 3 of this Note. If any such audit report results in Borrower restating Residual Receipts downward for any calendar year, Borrower may carry forward the overpayment made to County pursuant to such Section 3 as a credit against payments thereunder in subsequent calendar years.

(c) **Late Payment.** If any annual payment required pursuant to Section 3 above is not received by County within ten (10) calendar days after payment is due, Borrower shall pay to County a late charge of five percent (5%) of such payment, such late charge to be immediately due and payable without demand by County.

(d) **Dispute Regarding Annual Financial Statement.** If County disputes any Annual Financial Statement, County shall notify Borrower of such dispute within sixty (60) days after receipt of an Annual Financial Statement and the parties shall cause their representatives to meet and confer concerning the dispute and to use all reasonable efforts to reach a mutually acceptable resolution of the matter in question within thirty (30) days after County's notice of such dispute. If the parties are unable to reach a mutually acceptable resolution within such thirty (30) day period, then, within twenty (20) days after the expiration of such period, Borrower and County shall appoint a national firm of certified public accountants to review the dispute and to make a determination as to the matter in question within thirty (30) days after such appointment. If the parties cannot, within ten (10) days, agree upon the firm to be appointed, then, upon the application of either party, such firm shall be appointed by the Presiding Judge of the Superior Court for the County of Santa Cruz, California. Such firm's determination shall

be final and binding upon the parties. Such firm shall have full access to the books, records and accounts of Borrower and the Property.

(e) **Underpayment.** If any audit by County reports an underpayment by Borrower on this Note, Borrower shall pay the amount of such underpayment, together with the late charge set forth in Section 20(c) of this Note, to County within ten (10) days after written notice thereof to Borrower or, in the event of a dispute, after timely notice to Borrower of the resolution of such dispute by the independent firm of certified public accountants, as the case may be, and if such underpayment amounts to more than five percent (5%) of the disputed payment for the period audited, then, notwithstanding anything to the contrary in this section, Borrower shall pay to County, within ten (10) days after written demand, County's reasonable costs and expenses in conducting such audit and exercising its rights under this Section 20 of this Note.

BORROWER:

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company

Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation

Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

ATTACHMENT NO. 8
COUNTY DEED OF TRUST

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

RECORDING REQUESTED BY:
AND WHEN RECORDED RETURN TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attn: Planning Director

APN: _____

[Free Recording Requested
Government Code Sections 6103 and 27383]

DEED OF TRUST WITH ASSIGNMENT OF RENTS

NOTE: RIDER ATTACHED TO THIS DEED OF TRUST CONTAINING TERMS INCLUDING SECURITY AGREEMENT AND FIXTURE FILING.

This DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER ATTACHED HERETO ("Deed of Trust"), is made _____, _____, between MP LIVE OAK ASSOCIATES, L.P., a California Limited Partnership, herein called TRUSTOR, whose address is 303 Vintage Park Drive, Suite 250, Foster City, CA 94404, OLD REPUBLIC TITLE COMPANY, a California corporation, herein called TRUSTEE, and COUNTY OF SANTA CRUZ, a political subdivision of the State of California, herein called BENEFICIARY.

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor's estate, dated on or about the date hereof, in that property in the County of Santa Cruz, State of California, described in Exhibit "A" (the "Property"),

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of FIVE MILLION THREE HUNDRED FIFTEEN THOUSAND FIVE HUNDRED EIGHTY-FIVE DOLLARS (\$5,315,585), with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein; and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the Property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official

Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	
Butte	1330	513	Los Angeles	T-3878	874	Sacramento	5039	124	Sonoma	2067	
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5	Book 1964, Page 149774			

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

SEE RIDERS ATTACHED TO THIS DEED OF TRUST

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears

to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance when the Trustor does not repair the Property as obligated in A.1 above.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default (beyond any applicable cure period, and during the continuance of such default), Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter

upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary

hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

REQUEST FOR FULL RECONVEYANCE0

TO _____, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, an all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated _____

Please mail Deed of Trust,

Note and Reconveyance to

Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

EXHIBIT "A"**LEGAL DESCRIPTION OF THE PROPERTY**

[To be inserted]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

This RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS ("**Rider**") is executed this ____ day of _____ by MP LIVE OAK ASSOCIATES, L.P., a California limited partnership, herein "Trustor," in favor of the COUNTY OF SANTA CRUZ, a political subdivision of the State of California, herein "**Beneficiary**," the same parties to that certain form Deed of Trust With Assignment of Rents, of even date hereto, to which this Rider is attached. This Rider is made a part of and is incorporated into said Deed of Trust. This Rider shall supersede any conflicting term or provision of the form Deed of Trust to which it is attached.

Reference is made to (i) that certain County Promissory Note executed by Trustor on or about the date set forth above, the repayment of which by Trustor is secured by this Deed of Trust ("**County Note**"), (ii) that certain Affordable Housing and Property Disposition Agreement between Trustor and the Santa Cruz County Redevelopment Successor Agency ("**Successor Agency**"), and assigned by the Successor Agency to Beneficiary on or about the same date hereof, dated for identification purposes only as of _____ (collectively, the "**Agreement**"), and (iii) that certain Affordable Housing Regulatory Agreement, by and between Trustor and Beneficiary, for the benefit of Beneficiary, and recorded in the Office of the Santa Cruz County Recorder ("**County Regulatory Agreement**").

The parties hereto agree:

1. Property. The estate subject to this Deed of Trust is Trustor's fee estate in the real property legally described in the foregoing Deed of Trust to which this Rider is attached (the "**Property**").

2. Obligations Secured. Trustor makes this grant and assignment for the purpose of securing the following obligations ("**Secured Obligations**"):

- a. Payment to Beneficiary of all indebtedness at any time owing under the terms of the County Note;
- b. Payment and performance of all obligations of Trustor under this Deed of Trust;
- c. Payment and performance of all obligations of Trustor under the Agreement and the County Regulatory Agreement.
- d. Payment and performance of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and
- e. All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

3. Obligations. The term “obligations” is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and fees at any time accruing or assessed on any of the Secured Obligations.

4. Incorporation. All terms of the County Note, Agreement, and County Regulatory Agreement, and the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of all of the foregoing documents.

5. Mortgagee-in-Possession. Neither the assignment of rents set forth in the Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property.

6. No Cure. In the event Beneficiary collects and receives any rents under the Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default, except if and to the extent the same are sufficient to cure all monetary defaults and no other defaults then exist.

7. Possession Upon Default. Upon the occurrence of and during the continuation of a default, Beneficiary, after having given notice and the applicable cure periods having expired with the default having not been cured (hereinafter, a “**default**”), may, at its option, without any action on its part being required and without in any way waiving such default, take possession of the Property in accordance with applicable law and have, hold, manage, lease and operate the same, on such terms and for such period of time as Beneficiary may deem proper, and may collect and receive all rents and profits, with full power to make, from time to time, all commercially reasonable alterations, renovations, repairs or replacements thereto as may seem proper to Beneficiary, and to apply such rents and profits to the payment of (a) the cost of all such alterations, renovations, repairs and replacements, and all costs and expenses incident to taking and retaining possession of the Property, and the management and operation thereof, and keeping the same properly insured; (b) all taxes, charges, claims, assessments, and any other liens which may be prior in lien or payment of the County Note, and premiums for insurance, with interest on all such items; and (c) the indebtedness secured hereby, together with all costs and attorney’s fees, in such order or priority as to any of such items as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Any amounts received by Beneficiary or its agents in the performance of any acts prohibited by the terms of this assignment, including, but not limited to, any amounts received in connection with any cancellation, modification or amendment of any lease prohibited by the terms of this assignment and any rents and profits received by Trustor after the occurrence of a default shall be held by Trustor as trustee for Beneficiary and all such amounts shall be accounted for to Beneficiary and

shall not be commingled with other funds of the Trustor. Any person receiving any portion of such trust funds shall receive the same in trust for Beneficiary as if such person had actual or constructive notice that such funds were impressed with a trust in accordance therewith.

8. Receiver. In addition to any and all other remedies of Beneficiary set forth under this Deed of Trust or permitted at law or in equity, if a default shall have occurred and not have been cured within any applicable cure period, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Note and other sums secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents and profits and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice, notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the power herein contained shall be secured by this Deed of Trust.

9. Notice to Beneficiary. Notices to Beneficiary shall be sent to Beneficiary addressed to:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attn: Planning Director
Reference: 17th & Capitola Redevelopment Project

10. Limited Partner Cure Rights. Notwithstanding anything to the contrary set forth herein, Beneficiary shall not exercise any right hereunder without providing the limited partner of Trustor with not less than thirty (30) days prior written notice and right to cure any default giving rise to the exercise of said remedy. Beneficiary agrees that any cure tendered by the limited partner of Trustor shall be accepted or rejected on the same terms and conditions as if tendered directly by Trustor.

11. Subordination Acknowledgement. Beneficiary hereby acknowledges that the loan secured by this Deed of Trust is also subordinate to the extended use agreement required to be executed by Borrower pursuant to Section 42(h)(6)(B) of the Internal Revenue Code, for purposes of the low-income housing tax credits to be allocated to Trustor. In addition, Beneficiary hereby acknowledges that the loan secured by this Deed of Trust is further subordinate to Section 42(h)(6)(e)(ii) of the Internal Revenue Code, which prohibits the eviction or termination of a tenancy, other than for good cause, of an existing tenant of any low-income housing tax credit unit or any increase in the gross rent with respect to such unit, not otherwise permitted under Section 42, for a period of three (3) years after the date the Property is acquired by Beneficiary through foreclosure or instrument in lieu of foreclosure.

[signatures on next page]

IN WITNESS WHEREOF, Trustor has executed this Rider on the date of Trustor's acknowledgment herein below, to be effective for all purposes as of the day and year first set forth above.

TRUSTOR:

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company
Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation
Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ATTACHMENT NO. 9**PROJECT BUDGET**

[see following pages]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

1500 Capitola Rd Affordable Housing - County AHPDA

Prepared by: Ashley Schweickart



PROJECT DATA

SITE, BUILDING AND UNIT DETAILS			
LAND	Acreage	2.36	acres
	Density	24.16	units/acre
	# of Stories	3	
BUILDING	Residential	49,545	sf
	Circulation and Common	5,593	sf
	Commercial/Childcare	-	sf
	Podium/Tuck-Under Garage	-	sf
PARKING	spaces on housing parcel	140	
	residential parking ratio	2.46	
	total # parking spaces	190	
UNIT MIX AND AFFORDABILITY			
	Unit Type	# Units	Average Rent
	Studios/SRO	0	-
	1-Bedroom	26	1,033
	2-Bedroom	15	1,167
	3-Bedroom	16	1,307
	4-Bedroom	0	-
	Total Unit Count	57	

SCHEDULE		
MILESTONE	ESTIMATE	ACTUAL
Acquisition	1/21/2020	
Entitlement	11/5/2019	
Funding Committed	6/15/2020	
Tax Credit Award	6/15/2020	
Construction Start	12/15/2020	
Construction Complete	4/15/2022	
100% Occupied	7/15/2022	
Permanent Conversion	11/15/2022	
PIS Package	3/1/2023	
8609s	12/15/2023	

Resident Services Scope and Staffing

Family & Supportive Services Budget - \$162k/year

SOURCES AND USES				
CONSTRUCTION SOURCES		per unit		
Construction Loan	\$ 27,159,505	476,483		
County of Santa Cruz Loan	\$ 5,315,585	93,256		
Accrued Deferred Interest	\$ 100,000	1,754		
Costs Deferred until Conversion	\$ 2,878,403	50,498		
	\$ -	-		
	\$ -	-		
LP and GP Equity	\$ 2,481,100	43,528		
total	\$ 37,534,593	\$ 685,519		
PERMANENT SOURCES		per unit		
Amortizing Perm Loan, Tranche A	\$ 2,508,500	44,009		
Amortizing Perm Loan, Tranche B	\$ 6,029,800	105,786		
County of Santa Cruz Loan	\$ 5,315,585	93,256		
Accrued Deferred Interest	\$ 100,000	1,754		
NPLH	\$ 2,419,376	42,445		
AHP	\$ 560,000	9,825		
	\$ -	-		
Tax Credit Investor Proceeds	\$ 24,810,000	435,263		
GP Equity	\$ 100	2		
Deferred Developer Fee	\$ -	-		
total	\$ 41,743,361	\$ 732,340		
PERMANENT USES				
ACQUISITION		total	per unit	per SF
Land	\$ 2,850,000	\$ 50,000	\$	48
Other Acquisition Costs	\$ 227,338	\$ 3,988	\$	4
Total Acquisition Costs	\$ 3,077,338			52
HARD COSTS				
Resid. Site Work and Structures	\$ 21,308,494	\$ 373,833	\$	362
Commercial Costs	\$ -	\$ -	\$	-
Escalation Contingency	\$ 2,031,432	\$ 35,639	\$	35
Overhead & Profit/GC/Ins. Bond	\$ 3,512,239	\$ 61,618	\$	60
Owner Contingency	\$ 1,346,358	\$ 23,620	\$	23
Total Hard Costs	\$ 28,198,524	\$ 494,711		\$ 479
SOFT COSTS				
Architecture and Engineering	\$ 1,484,595	\$ 25,695	\$	25
Construction Loan Interest and fees	\$ 2,284,018	\$ 40,070	\$	39
Permanent Financing	\$ 42,077	\$ 738	\$	1
Legal Fees	\$ 140,500	\$ 2,465	\$	2
Reserves	\$ 2,552,256	\$ 44,776	\$	43
Permits and Fees	\$ 1,553,619	\$ 27,256	\$	26
Other Soft Costs	\$ 1,009,000	\$ 17,702	\$	17
Relocation	\$ 5,000			
Developer Fee	\$ 1,359,480	\$ 23,851	\$	23
Total Soft Costs	\$ 10,410,544	\$ 182,553		\$ 177
TOTAL DEVELOPMENT COSTS	\$ 41,686,406	\$ 731,340		\$ 708

FINANCING ASSUMPTIONS		TAX CREDIT ASSUMPTIONS	
Debt Coverage Ratio	1.15	8% CREDIT COMPETITIVENESS	
Construction Underwriting Rate	5.35%	Tiebreaker	50.77%
Permanent Interest Rate	4.70%	Set-Aside	Non Profit
Perm Loan Amortization	20	Geographic Region	Central Coast
		Project Type	Family
		CREDIT AND EQUITY ASSUMPTIONS	
		Price	0.99
		130% Basis Boost?	Yes
		100% Tax Credit Eligible?	Yes
		Acquisition Credits?	No
DEVELOPER FEE			
15% of TDC	\$6,049,039		
Total Fee	\$1,359,480		
Deferred Amount	\$0		
GP Equity	\$100		

HARD COST ASSUMPTIONS	
Preliminary Design (rough square footages but no GC onboard)	

OPERATING AND SERVICES EXPENSE ASSUMPTIONS	
Total Residential Operating Expenses	\$ 8,750 Annual Escalation 3.5%
Resident Services Fee from Operations	\$ 1,835
Resident Services Fee from Reserves	\$ 1,025
Commercial Operating Expenses	\$ -
Replacement Reserves	\$ 450
Debt Admin Fees - Bond Issuer, MHSA, Other	\$ -

CASH FLOW - YEARS 1-5 and 15						
	2014	2015	2016	2017	2018	2028
Effective Gross Income	1,342,315	1,371,092	#####	1,430,640	1,461,443	1,811,428
Operating Expenses	(384,750)	(398,216)	(412,154)	(426,579)	(441,509)	(622,793)
Services Expenses	(161,995)	(167,665)	(173,533)	(179,607)	(185,893)	(192,399)
Loan Admin Fees	-	-	-	-	-	-
Reserves	(25,650)	(25,650)	(25,650)	(25,650)	(25,650)	(25,650)
Net Operating Income	769,920	779,561	789,191	798,804	808,390	900,765
Debt Service Loan 1	(193,705)	(193,705)	(193,705)	(193,705)	(193,705)	(193,705)
Debt Service Loan 2	(465,618)	(465,618)	(465,618)	(465,618)	(465,618)	(465,618)
Debt Service Loan 3	(10,161)	(10,161)	(10,161)	(10,161)	(10,161)	(10,161)
Cash Flow	100,435	110,076	119,706	129,319	138,906	231,280
DCR	1.15	1.16	1.18	1.19	1.21	1.35
LP Fee	7,000	7,210	7,426	7,649	7,879	10,588
Priority Deferred Developer Fe	0	0	0	0	0	-
Partnership Management Fee	25,000	25,750	26,523	27,318	28,138	37,815
Services Paid from Cash Flow	0	0	0	0	0	0
Residual Receipts to Lenders	34,217	38,558	42,879	47,176	51,445	91,438
Incentive Management Fee	34,217	38,558	42,879	47,176	51,445	91,438
Other						

ATTACHMENT NO. 10
COUNTY REGULATORY AGREEMENT

[See following document]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

REQUESTED BY
AND WHEN RECORDED MAIL TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attention: Planning Director

This document is exempt from a recording fee pursuant to
Government Code Sections 6103 and 27383.

AFFORDABLE HOUSING REGULATORY AGREEMENT

This **AFFORDABLE HOUSING REGULATORY AGREEMENT** (this “**Regulatory Agreement**”), dated for purposes of identification only as of _____ (the “**Date of Regulatory Agreement**”), is entered by and between the **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California, (the “**County**”), and **MP LIVE OAK ASSOCIATES, L.P.**, a California limited partnership (the “**Developer**”). County and Developer are hereinafter referred to individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

The following recitals are a substantive part of this Regulatory Agreement; all capitalized terms set forth in the Recitals shall have the meanings ascribed to such terms in Section 1 hereof.

- A. Developer owns fee title to that certain real property located in the County of Santa Cruz, State of California more particularly described in Exhibit “A”, which is attached hereto and incorporated herein by this reference (the “**Property**”)
- B. Developer is controlled by an experienced owner, developer and manager of affordable housing for low and moderate-income families.
- C. Developer acquired the Property from the Santa Cruz County Redevelopment Successor Agency (the “**Successor Agency**”) pursuant to that certain Affordable Housing and Property Disposition Agreement between the Successor Agency and Developer, dated as of _____ (“**Agreement**”). On or about the same date hereof, the Successor Agency assigned all of its and obligations under the Agreement to County.
- D. Pursuant to the Agreement, Developer is required to construct and operate on the Property a fifty-seven (57) unit multifamily apartment project with all but one of such units restricted for occupancy by income-restricted households (the “**Project**”). The Agreement further provides that the Parties execute and record this Regulatory Agreement against the Property, to ensure that the Property shall be operated continuously, in perpetuity, as

an affordable rental apartment complex in accordance with the terms hereof.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. DEFINITIONS.

“30% AMI Household” means those person(s) or households whose income does not exceed thirty percent (30%) of AMI.

“30% AMI Unit” means the ten (10) Affordable Units that are required to be rented to and occupied by 30% AMI Households, with four (4) of such units containing one (1) bedroom, three (3) of such units containing two (2) bedrooms, and three (3) of such units containing 3 bedrooms.

“40% AMI Household” means those person(s) or households whose income does not exceed forty percent (40%) of AMI.

“40% AMI Unit” means the twelve (12) Affordable Units that are required to be rented to and occupied by 40% AMI Households, with five (5) of such units containing one (1) bedroom, two (2) of such units containing two (2) bedrooms, and five (5) of such units containing 3 bedrooms.

“50% AMI Household” means those person(s) or households whose income does not exceed fifty percent (50%) of AMI.

“50% AMI Unit” means the sixteen (16) Affordable Units that are required to be rented to and occupied by 50% AMI Households, with eight (8) of such units containing one (1) bedroom, four (4) of such units containing two (2) bedrooms, and four (4) of such units containing 3 bedrooms.

“60% AMI Household” means those person(s) or households whose income does not exceed sixty percent (60%) of AMI.

“60% AMI Unit” means the thirteen (13) Affordable Units that are required to be rented to and occupied by 60% AMI Households, with seven (7) of such units containing one (1) bedroom, three (3) of such units containing two (2) bedrooms, and three (3) of such units containing 3 bedrooms.

“80% AMI Household” means those person(s) or households whose income does not exceed eighty percent (80%) of AMI.

“80% AMI Unit” means the five (5) Affordable Units that are required to be rented to and occupied by 80% AMI Households, with two (2) of such units containing one (1) bedroom, two (2) of such units containing two (2) bedrooms, and one (1) of such units containing 3 bedrooms.

“Additional Regulatory Agreements” means the Tax Credit Regulatory Agreement, the Bond Regulatory Agreement (applicable only if the Project is financed by issuance of Tax-Exempt Bonds), and any other regulatory agreement Developer is

required to execute as a condition to obtaining financing to develop and/or operate the Project.

“Affiliate” means any “Person,” directly or indirectly, “Controlling” or “Controlled” by or under common “Control” with Developer, whether by direct or indirect ownership of equity interests, by contract or otherwise, where **“Person”** means any association, corporation, governmental entity or agency, individual, joint venture, joint-stock company, limited liability company, partnership, trust, unincorporated organization, or other entity of any kind, **“Control”** means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by ownership of equity interests, by contract or otherwise, and **“Controlling”** and **“Controlled”** means exercising or having Control.

“Affordable Units” means the following fifty-six (56) rental units in the Project:

- (i) twenty-six (26), one (1) bedroom, one (1) bath units;
- (ii) fourteen (14), two (2) bedroom, one (1) bath units; and
- (iii) sixteen (16), three (3) bedroom, one (1) bath units.

“Affordable Rent” means the maximum Monthly Rent that may be charged to and paid by 30% AMI Households, 40% AMI Households, 50% AMI Households, 60% AMI Households, and 80% AMI Households, as applicable, for the Affordable Units, as annually determined pursuant to Health and Safety Code Section 50053(b), as of the date hereof, and the regulations promulgated pursuant to and incorporated therein.

“Agreement” is defined in Recital C hereof.

“AHAP Contract” means an Agreement to Enter into Housing Assistance Payments Contract entered into by and between Developer and the Housing Authority of the County of Santa Cruz.

“AMI” means the median family income (adjusted for household size) for the Santa Cruz County Area promulgated and published annually by HCD pursuant to Title 25, Section 6932 of the California Code of Regulations. If HCD ceases to annually publish median incomes, the Parties shall agree upon an adequate substituted manner for determining AMI.

“Annual Project Revenue” has the meaning ascribed thereto in the County Note.

“Approved Financing” means the financing approved by the Successor Agency pursuant to the Agreement, as set forth in the Project Budget attached to the Agreement, obtained by Developer for the acquisition of the Property and the construction/development and ownership of the Project. In addition, “Approved Financing” shall include any refinancing of the Approved Financing which has been approved by County.

“Approved Pro Forma” means that certain pro forma created in connection with the Project Budget attached to the Agreement.

“Bond Regulatory Agreement” means the regulatory agreement with the Institutional Lender responsible for placing the Tax-Exempt Bonds (applicable only if the Project is financed by issuance of Tax-Exempt Bonds).

“Capital Replacement Reserve” means a capital replacement reserve for the Project (i) in an initial amount approved by County, as evidenced by County’s approval of Developer’s development budget (or such greater amount required under any Additional Regulatory Agreement, under the Partnership Agreement, or by any lender of a Project-related loan that has been approved by County) set aside in a separate interest-bearing trust account, commencing upon the rental of the Affordable Units, and (ii) replenished from annual deposits in an amount approved by County, as evidenced by County’s approval of Developer’s initial Operating Budget, adjusted annually by the CPI Adjustment (unless otherwise agreed to by Developer and County) or as required under the Partnership Agreement (or such greater amount required under any Additional Regulatory Agreement, or under the Partnership Agreement).

“Certification of Continuing Program Compliance” means an annual recertification form substantially in the form attached hereto and incorporated herein as Exhibit E.

“Certificate of Occupancy” means the final certificate of occupancy issued by the County for the completion of construction of the Project.

“Close of Escrow” means generally, the closing for the Approved Financing, and particularly, the time and day that this Regulatory Agreement and the Grant Deed are filed for record with the Santa Cruz County Recorder.

“Close of Escrow Date” means the date on which the Close of Escrow occurs.

“Construction Financing” means the construction loan for the Project, in the approximate amount of Twenty-Seven Million Dollars (\$27,000,000). If the Project is financed through issuance of Tax-Exempt Bonds, then Construction Financing shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“County” means the County of Santa Cruz, a political subdivision of the State of California.

“County and Successor Agency and County and Successor Agency Personnel” means County, the Successor Agency, and all of their respective officers, officials, directors, members, employees, agents, and representatives.

“County Deed of Trust” means that certain deed of trust executed by Developer, as “Trustor,” in favor of County, as “Beneficiary,” securing Developer’s repayment under the County Note.

“County Loan” means the loan provided by County to Developer pursuant to the Agreement to assist Developer with certain predevelopment costs incurred by Developer and with the costs to acquire the Property.

“County Note” means that certain County Promissory Note executed by Developer on or about the same date hereof, that evidences Developer’s obligation to repay the County Loan.

“CPI Adjustment” means the percentage increase in the cost of living index, as measured by the Consumer Price Index for all urban consumers, San Francisco-Oakland-Hayward statistical area, all items (1982-84 = 100) published by the United States Department of Labor, Bureau of Labor Statistics (“CPI”) between the CPI figure in effect as of the date on which the Certificate of Occupancy is issued and the CPI figure in effect as of the date on which an adjustment is made. If such index is discontinued or revised, such other index with which such index is replaced (or if not replaced, another index which reasonably reflects and monitors consumer prices) shall be used in order to obtain substantially the same results as would have been obtained if the discontinued index had not been discontinued or revised. If the CPI is changed so that the base year is other than 1982-84, the CPI shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

“Date of Regulatory Agreement” is defined in the initial paragraph hereof.

“Default” means the failure of a Party to perform any action or covenant required by the Agreement or hereunder within the time periods provided in the Agreement or hereunder, respectively, following notice and opportunity to cure, as set forth in Section 13.1 of the Agreement and Section 16.01 hereof, respectively.

“Developer” means MP Live Oak Associates, L.P., a California limited partnership, and any permitted assignees of Developer.

“Eligible Tenant” means, with respect to a 30% AMI Unit, a 30% AMI Household, with respect to a 40% AMI Unit, a 40% AMI Household, with respect to a 50% AMI Unit, a 50% AMI Household; with respect to a 60% AMI Unit, a 60% AMI Household; and with respect to an 80% AMI Unit, an 80% AMI Household.

“Environmental Laws” means (i) Sections 25115, 25117, 25122.7 or 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law)), (ii) Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) Article 9 or Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (vi) Section 311 of the Clean Water Act (33 U.S.C. §1317), (vii) Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (viii) Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.*

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees, of the United States, the State of California, the County, and any other political subdivision, agency, instrumentality, or other entity

exercising jurisdiction over County, Developer, the Project, or the Property, including common law.

“HAP Contract” means a Housing Assistance Payments contract entered into by and between Developer and the Housing Authority of the County of Santa Cruz.

“Hazardous Materials” means any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a “hazardous waste”, “acutely hazardous waste”, “extremely hazardous waste”, or “restricted hazardous waste” under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a “hazardous material”, “hazardous substance”, or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as “hazardous” or “extremely hazardous” pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq., (xii) methyl-tertiary butyl ether, (xiii) perchlorate, or (xiv) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any Governmental Requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as “hazardous” or harmful to the environment. For purposes hereof, “Hazardous Materials” excludes materials and substances in quantities as are commonly used in constructing and operating apartment complexes, provided such materials and substances are used in accordance with all applicable laws.

“Hazardous Materials Contamination” means the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Materials at any time emanating from the Property.

“HCD” means the California Department of Housing and Community Development.

“HUD” means the United States Department of Housing and Urban Development.

“Institutional Lender” means any of the following institutions having assets or deposits in the aggregate of not less than One Hundred Million Dollars (\$100,000,000): a California chartered bank; a bank created and operated under and pursuant to the laws of the United States of America; an “incorporated admitted insurer” (as that term is used in Section 1100.1 of the California Insurance Code); a “foreign (other state) bank” (as that term is defined in Section 1700(1) of the California Financial Code); a federal savings and loan association (Cal. Fin. Code Section 8600); a commercial finance lender (within the meaning of Sections 2600 et seq. of the California Financial Code); a “foreign (other nation) bank” provided it is licensed to maintain an office in California, is licensed or otherwise authorized by another state to maintain an agency or branch office in that state, or maintains a federal agency or federal branch in any state (Section 1716 of the California Financial Code); a bank holding company or a subsidiary of a bank holding company which is not a bank (Section 3707 of the California Financial Code); a trust company, savings and loan association, insurance company, investment banker; college or university; pension or retirement fund or system, either governmental or private, or any pension or retirement fund or system of which any of the foregoing shall be trustee, provided the same be organized under the laws of the United States or of any state thereof; and a Real Estate Investment Trust, as defined in Section 856 of the Internal Revenue Code of 1986, as amended, provided such trust is listed on either the American Stock Exchange or the New York Stock Exchange.

“Investor” has the meaning ascribed thereto in Section 15.01 hereof.

“Legal Description” means that certain legal description of the Property which is attached hereto and incorporated herein as Exhibit A.

“Map” means a map depicting the Property which is attached hereto and incorporated herein as Exhibit B.

“Marketing Plan” means a marketing plan for the rental of the Affordable Units which provides, to the extent authorized by applicable federal, state and local laws and regulations, that a preference be given to applicants who are currently residents of the County or currently work in the County and, with respect to fourteen (14) of the Affordable Units, a preference to applicants who are currently residents of the Live Oak area of the County. The Successor Agency shall have approved the Marketing Plan, in its reasonable discretion, as one of Successor Agency’s conditions to the Close of Escrow pursuant to the Agreement. The Marketing Plan is further discussed in Section 4.03 hereof.

“MidPen” means MidPen Housing Corporation, a California nonprofit public benefit corporation.

“Monthly Rent” means the total of monthly payments for (a) use and occupancy of each Affordable Unit and land and facilities associated therewith, (b) any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone or cable service, and (d) possessory interest, taxes or other fees or charges

assessed for use of the land and facilities associated therewith by a public or private entity other than Developer. In the event that all utility charges are paid by the landlord rather than the tenant, no utility allowance shall be deducted from the rent.

“Notice” means a notice in the form prescribed by Section 17.01 hereof.

“Official Records” means the Official Records of the County of Santa Cruz, California.

“Operating Budget” means an operating budget for the Project, which budget shall be subject to the annual written approval of County in accordance with Section 9.01 hereof.

“Operating Expenses” has the meaning ascribed thereto in the County Note.

“Operating Reserve” means an operating reserve for the Project (i) in an initial amount approved by County, as evidenced by County’s approval of Developer’s development budget (or such greater amount required under any Additional Regulatory Agreement, under the Partnership Agreement, or by any lender of a Project-related loan that has been approved by County) set aside in a separate interest-bearing trust account, commencing upon the rental of the Affordable Units, and (ii) replenished by an amount approved by County, as evidenced by County’s approval of Developer’s initial Operating Budget, from annual deposits of the Annual Project Revenue, to the extent available, such that the balance of the Operating Reserve consists of not less than three (3) months of projected Operating Expenses, adjusted annually by the CPI Adjustment (unless otherwise agreed to by Developer and County) or as required under the Partnership Agreement (or such greater amount required under any Additional Regulatory Agreement, or under the Partnership Agreement), provided in no event shall the balance in such account exceed a sum equal to one (1) year of debt service for the Project (or such greater amount required under any Additional Regulatory Agreement, pursuant to any of the Approved Financing or under the Partnership Agreement). Developer’s requirement to maintain the Operating Reserve shall terminate at such time as the Project has achieved a minimum annual debt service ratio of 1.15 for three (3) years following the date Developer has initially rented ninety-five percent (95%) of the Affordable Units to Eligible Tenants in accordance with the terms of this Regulatory Agreement.

“Partnership Agreement” means the agreement which sets forth the terms of Developer’s limited partnership, as such agreement may be amended from time to time.

“Permanent Financing” means a loan in an amount not to exceed the amount of the Construction Financing from an Institutional Lender to be secured by a deed of trust against the Property which replaces the Construction Financing upon Developer’s completion of the construction of the Project. If the Project is financed through issuance of Tax-Exempt Bonds, then Permanent Financing shall be understood to mean the proceeds of such Tax-Exempt Bonds.

“Planning Director” means the person duly appointed to the position of Planning Director of the County of Santa Cruz, or his or her designee. The Planning Director shall represent County in all matters pertaining to this Regulatory Agreement. Whenever a

reference is made herein to an action or approval to be undertaken by County, the Planning Director is authorized to act unless this Regulatory Agreement specifically provides otherwise or the context should otherwise require.

“Project” means an affordable rental Project consisting of fifty-seven (57) residential dwelling units and all required on-site improvements necessary to serve the Project.

“Property” means that certain real property (i) consisting of approximately two and thirty-six hundredths (2.36) acres, (ii) located in the County of Santa Cruz, (iii) depicted on the Map, and (iv) described in the Legal Description.

“Regulatory Agreement” means this Regulatory Agreement.

“Release of Construction Covenants” means the document which evidences Developer’s satisfactory completion of construction of the Project, as set forth in Section 10.15 of the Agreement, substantially in the form which is attached thereto as Attachment No. 12 and incorporated therein by reference.

“Scope of Development” means that certain Scope of Development which is attached to the Agreement as Attachment No. 4 and incorporated therein by reference. The Scope of Development describes the scope, amount and quality of the construction to be done by Developer pursuant to the terms and conditions of the Agreement and this Regulatory Agreement.

“Tax Credits” means Low Income Housing Tax Credits granted pursuant to Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*

“Tax Credit Regulatory Agreement” means the regulatory agreement which may be required to be recorded against the Property with respect to the issuance of Tax Credits for the Project.

“Tax Credit Rules” means Section 42 of the Internal Revenue Code and/or California Revenue and Taxation Code Sections 17057.5, 17058, 23610.4 and 23610.5 and California Health and Safety Code Section 50199, *et seq.*, and the rules and regulations implementing the foregoing, as the same may be amended from time to time.

“Tax-Exempt Bonds” shall mean tax-exempt multi-family housing revenue bonds.

“TCAC” means the California Tax Credit Allocation Committee.

SECTION 2. COVENANTS REGARDING CONSTRUCTION OF THE IMPROVEMENTS.

Developer shall carry out the design, construction, and operation of the Project in compliance with applicable Governmental Requirements and all of the terms and conditions set forth in the Agreement.

SECTION 3. COVENANTS REGARDING USE.

3.01 Covenants To Use In Accordance With County Code And This Agreement. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to Developer's interest in the Property or any part thereof, that Developer shall devote the Property, in perpetuity, to the uses specified in the Santa Cruz County Code, and this Regulatory Agreement. All uses conducted on the Property, including, without limitation, all activities undertaken by Developer pursuant to this Regulatory Agreement, shall conform to all applicable provisions of the Santa Cruz County Code. The foregoing covenants shall run with the land.

3.02 Covenant Regarding Specific Uses. Developer covenants and agrees for itself, its successors, assigns, and every successor in interest to Developer's interest in the Property or any part thereof, that Developer shall use the Property, in perpetuity, to operate the Project.

3.03 Covenants Regarding Term And Priority Of Agreement. This Regulatory Agreement shall remain in effect in perpetuity, notwithstanding the payment in full of the County Loan. Developer's performance under this Regulatory Agreement is secured by the County Deed of Trust, and Developer shall not be entitled to a reconveyance of the County Deed of Trust; provided that, upon Developer's repayment of the County Loan, Developer shall be entitled to a partial reconveyance of the County Deed of Trust solely to release therefrom Developer's obligations to repay the County Loan. This Regulatory Agreement shall unconditionally be and remain at all times prior and superior to the liens created by the Construction Financing, the Permanent Financing, the Tax Credit Regulatory Agreement, Bond Regulatory Agreement, any other Additional Regulatory Agreement, and any other documents related to any of the foregoing and all of the terms and conditions contained therein, and to the lien of any new mortgage debt which is for the purpose of refinancing all or any part of the Construction Financing or Permanent Financing.

SECTION 4. COVENANTS REGARDING AFFORDABLE UNITS.

Developer shall provide for the Affordable Units in accordance with this Section.

4.01 Residential Use. Without County's prior written consent, which consent may be given or withheld in County's sole and absolute discretion, none of the Affordable Units in the Project will at any time be utilized on a transient basis or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, or trailer court or park, nor shall the Affordable Units be used as a place of business except as may otherwise be allowed by applicable law.

4.02 Provision of Affordable Units; Conversion of 30% AMI Units and 40% AMI Units. Developer shall make available, restrict occupancy to, and rent the Affordable Units to Eligible Tenants, in perpetuity, at Affordable Rents. Notwithstanding anything to the contrary in this Regulatory Agreement, after the fifty-fifth (55th) anniversary of the occupancy of the Project, the 30% AMI Units and 40% AMI Units shall convert to 50% AMI Units; provided, however, that such conversion shall not occur with respect to any

individual 30% AMI Unit or 40% AMI Unit until such 30% AMI Unit or 40% AMI Unit becomes vacant.

4.03 Selection of Tenants.

(a) Developer shall be responsible for the selection of tenants for the Affordable Units in compliance with all lawful and reasonable criteria, as set forth in the Marketing Plan. Developer shall not refuse to lease to (i) a holder of a certificate of family participation under 24 CFR part 882 (Rental Certificate Program) or a rental voucher under 24 CFR part 887 (Rental Voucher Program) or to the holder of a comparable document evidencing participation in a Section 8 program or other tenant-based assistance program, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria, or (ii) an applicant who would be qualified to be a tenant in accordance with the approved tenant selection criteria but for a poor credit rating resulting from a foreclosure of a mortgage on a single family home previously owned by the applicant.

(b) The initial lease-up of the Affordable Units shall be done pursuant to a lottery. The Marketing Plan shall include procedures for conducting the lottery. A representative of County may, but shall not be obligated to, attend the lottery. Notwithstanding anything in this Agreement to the contrary, none of Developer or MidPen, and their respective officials, directors, and employees, and the immediate family members of their respective officials, directors, and employees shall be eligible to participate in the lottery for the initial lease-up of the Affordable Units. As used herein, the term "immediate family member" shall mean and include a parent or step-parent, grandparent or step-grandparent, sibling or step-sibling and child or step-child.

(c) Following the initial lease-up of the Affordable Units, Developer shall maintain a waiting list of persons interested in renting an Affordable Unit. Subject to Sections 4.5 and 4.7 below, at such time as an Affordable Unit becomes available for rental, Developer shall rent such Affordable Unit to the first person on the waiting list that qualifies as an Eligible Tenant to rent the Affordable Unit. Developer shall use commercially reasonable efforts to lease Affordable Units that become available as quickly as possible.

4.04 Occupancy By Eligible Tenant. An Affordable Unit occupied by an Eligible Tenant who qualified as an Eligible Tenant at the commencement of the occupancy shall be treated as occupied by an Eligible Tenant until a recertification of such Eligible Tenant's income in accordance with Section 4.08 below demonstrates that such tenant no longer qualifies as an Eligible Tenant at the applicable income level. An Affordable Unit previously occupied by an Eligible Tenant and then vacated shall be considered occupied by an Eligible Tenant until the Affordable Unit is reoccupied, provided Developer uses its best efforts to re-lease the vacant Affordable Unit to an Eligible Tenant. Any vacated Affordable Unit shall be held vacant until re-leased to an Eligible Tenant.

4.05 Occupancy Restrictions. The maximum number of occupants that may reside in an Affordable Unit shall be as follows: three (3) persons in a one (1) bedroom Affordable Unit; five (5) persons in a two (2) bedroom Affordable Unit; seven (7) persons in a three (3) bedroom Affordable Unit; and nine (9) persons in a four (4) bedroom

Affordable Unit. Notwithstanding the foregoing, if a household that was in compliance upon initial occupancy thereafter increases in number, such that such household exceeds the maximum occupancy allowed pursuant to this Section 4.05, and there exist Affordable Units of the size necessary to accommodate such household, then Developer shall place the household at the top of the waiting list for a unit of the appropriate size, and Developer shall not be default hereunder during such time as the household is waiting for an Affordable Unit of the appropriate size to become available. Developer shall comply with all applicable minimum occupancy restrictions promulgated by HUD, TCAC, and/or any other applicable funding source. Notwithstanding the foregoing, the minimum household size for an Affordable Unit shall be one (1) person per bedroom.

4.06 Income Computation and Certification. Immediately prior to an Eligible Tenant's occupancy of an Affordable Unit, Developer shall obtain an Income Computation and Certification Form in the form attached hereto and incorporated herein as Exhibit "C", or on a similar form required by any Additional Regulatory Agreement if such form requires inclusion of the same information as required in Exhibit "C" (or, if such form does not require inclusion of the same information as required in Exhibit "C", then in addition to providing such form, Developer shall also separately provide all of the information required in Exhibit "C" that is not required to be included by such form), from each such Eligible Tenant dated no more than one hundred twenty (120) days prior to the date of initial occupancy in the Project by such Eligible Tenant. In addition, Developer shall provide such further information as may be reasonably required in the future by County for purposes of verifying a tenant's status as an Eligible Tenant. Developer shall use good faith efforts to verify that the income provided by an applicant is accurate by taking the following steps as a part of the verification process: (i) obtain three (3) pay stubs for the most recent pay periods; (ii) obtain a written verification of income and employment from the applicant's current employer; (iii) obtain an income verification form from the Social Security Administration, California Department of Social Services, and/or California Employment Development Department if the applicant receives assistance from any of said agencies; (iv) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other evidence and/or verification of such applicant's total income received during the calendar year from any source, taxable or nontaxable, or such other information as is satisfactory to County. Developer shall maintain in its records each Income Computation and Certification Form obtained pursuant to this section for a minimum of five (5) years.

4.07 Rental Priority. Subject to all applicable Governmental Requirements, and any funding obtained by Developer to operate and/or develop the Project that has been approved by County, during the term of this Regulatory Agreement, Developer shall use its reasonable commercial efforts to lease the Affordable Units to Eligible Tenants in the following order of priority: (a) Eligible Tenants who have been or will be displaced by an activity of the Successor Agency or County, or (b) Eligible Tenants who live and/or work in the County.

4.08 Recertification. Within one hundred twenty (120) days prior to the first anniversary date of the occupancy of an Affordable Unit by an Eligible Tenant, and on each anniversary date thereafter, Developer shall recertify the income of such Eligible Tenant by obtaining a completed Income Recertification Form, in the form attached hereto

and incorporated herein as Exhibit "D", based upon the current income of each known occupant of the Affordable Unit; provided, however, that if any Additional Regulatory Agreement requires Developer to obtain a recertification form which requires inclusion of the same information as required in Exhibit "D" (or, if such recertification form does not require inclusion of the same information as required in Exhibit "D", then in addition to providing such form, Developer shall also separately provide all of the information required in Exhibit "D" that is not required to be included by such form), then Developer shall not be deemed to be in default hereunder if during the term of such Additional Regulatory Agreement Developer obtains from each Eligible Tenant the recertification form required pursuant to said Additional Regulatory Agreement.

If, after renting an Affordable Unit (the "**Original Unit**"), the household income increases above the income level permitted for the Original Unit, but meets the income level permitted for another Affordable Unit at the Project (the "**Other Unit**"), the household shall continue to be permitted to reside in the Original Unit provided that Developer shall increase the rent for the Original Unit to the rent level designated for the Other Unit, and shall restrict and designate subsequent available Affordable Units as necessary to obtain the affordability mix required by this Agreement.

If, after renting an Affordable Unit, the household income increases above the income level permitted for an 80% Unit, that household may not be permitted to remain in the unit unless requiring such household to move will violate the Tax Credit Rules. In such event, Developer shall notify County in writing of such occurrence, and shall inform County of (1) its plans for removing the household from the Affordable Unit, or (2) the specific rule in the Tax Credit Rules that prohibits such action providing written evidence of the same.

4.09 Certification of Continuing Program Compliance. During the term of this Regulatory Agreement, on or before each July 1 following the date County issues a Release of Construction Covenants for the Project, Developer shall annually advise County of the occupancy of the Project during the preceding calendar year by delivering a Certification of Continuing Program Compliance in the form attached hereto and incorporated herein as Exhibit "E", stating (i) the Affordable Units of the Project which have been rented to and are occupied by Eligible Tenants and (ii) that to the knowledge of Developer either (a) no unremedied default has occurred under this Regulatory Agreement, or (b) a default has occurred, in which event said certification shall describe the nature of the default and set forth the measures being taken by Developer to remedy such default.

4.10 Leases; Rental Agreements for Affordable Units. Developer shall enter into a written lease, the form of which shall comply with the requirements of this Regulatory Agreement, which each tenant/tenant household of the Affordable Units. Developer shall submit the form of lease, or a copy of any executed lease, to County upon written request by County.

4.11 Reliance on Tenant Representations. Each tenant lease shall contain a provision to the effect that Developer has relied on the income certification and supporting information supplied by the tenant in determining qualification for occupancy of the

Affordable Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease.

4.12 Monitoring and Record Keeping. Representatives of County shall be entitled to enter the Property during normal business hours, upon not less than twenty-four (24) hours' notice, to monitor compliance with this Regulatory Agreement, to inspect the records of the Property, and to conduct an independent audit or inspection of such records. Developer agrees to cooperate with County in making the Property and all Affordable Units thereon available for such inspection or audit. Developer agrees to maintain records in a businesslike manner, and to maintain copies of original tenant certifications for fifteen (15) years (or such longer period as required under the Tax Credit Rules) and all other records pertaining to the Project for five (5) years.

4.13 Remedy For Violation of Rental Requirements.

(a) It shall constitute a default for Developer to charge or accept for any Affordable Unit rent amounts in excess of the amount provided for in Section 4.02 of this Regulatory Agreement. In the event that Developer charges or receives such higher rental amounts, Developer shall be required to reimburse the tenant that occupied said Affordable Unit at the time the excess rent was received for the entire amount of such excess rent received, provided that such tenant can be found following reasonable inquiry, and to pay to such tenant interest on said excess amount, at the rate of six percent (6%) per annum, for the period commencing on the date the first excess rent was received from said tenant and ending on the date reimbursement is made to the tenant. For purposes of this Section 4.13, "reasonable inquiry" shall include Developer's review of information provided by the tenant as part of the tenant's application, and forwarding information provided by the tenant, and Developer's reasonable attempts to contact the tenant and any other persons listed in either of such documents. If, after such reasonable inquiry, Developer is unable to locate the tenant, Developer shall pay all of such amounts otherwise to be paid to the tenant to County.

(b) Except as otherwise provided in this Regulatory Agreement, it shall constitute a default for Developer to knowingly (or without investigation as required herein) initially rent any Affordable Unit to a tenant who is not an Eligible Tenant. In the event Developer violates this Section, in addition to any other equitable remedy County shall have for such default, Developer, for each separate violation, shall be required to pay to County an amount equal to (i) the greater of (A) the total rent Developer received from such ineligible tenant, or (B) the total rent Developer was entitled to receive for renting that Affordable Unit, plus (ii) any relocation expenses incurred by County as a result of Developer having rented to such ineligible person. The terms of this Section shall not apply if Developer rents to an ineligible person as a result of such person's fraud or misrepresentation.

(c) It shall constitute a default for Developer to knowingly (or without investigation as required herein) rent an Affordable Unit in violation of the leasing preference requirements of Section 4.07 of this Regulatory Agreement. In the event Developer violates this Section, in addition to any other equitable remedy County shall have for such default, Developer, for each separate violation, shall be required to pay County an amount equal to the greater of (A) the total rent Developer received from such

ineligible tenant, or (B) the total rent Developer was entitled to receive for renting that Affordable Unit.

THE PARTIES HERETO AGREE THAT THE AMOUNTS SET FORTH IN THIS SECTION 4.13 (THE "DAMAGE AMOUNTS") CONSTITUTE A REASONABLE APPROXIMATION OF THE ACTUAL DAMAGES THAT COUNTY WOULD SUFFER DUE TO THE DEFAULTS BY DEVELOPER SET FORTH IN THIS SECTION 4.13, CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF REGULATORY AGREEMENT, INCLUDING THE RELATIONSHIP OF THE DAMAGE AMOUNTS TO THE RANGE OF HARM TO COUNTY AND ACCOMPLISHMENT OF COUNTY'S PURPOSE OF ASSISTING IN THE PROVISION OF AFFORDABLE HOUSING TO ELIGIBLE TENANTS THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. THE AMOUNTS SET FORTH IN THIS SECTION 4.13 SHALL BE THE SOLE MONETARY DAMAGES REMEDY FOR THE DEFAULTS SET FORTH IN THIS SECTION 4.13, BUT NOTHING IN THIS SECTION 4.13 SHALL BE INTERPRETED TO LIMIT COUNTY'S REMEDY FOR SUCH DEFAULT TO SUCH A DAMAGES REMEDY AND IN THAT REGARD COUNTY MAY DECLARE A DEFAULT UNDER THE TERMS OF THE COUNTY NOTE, THE AGREEMENT, OR OTHER AGREEMENTS ENTERED INTO BY AND BETWEEN COUNTY AND DEVELOPER. IN PLACING ITS INITIALS AT THE PLACES PROVIDED HEREINBELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO HAS EXPLAINED THE CONSEQUENCES OF THE LIQUIDATED DAMAGES PROVISION AT OR PRIOR TO THE TIME EACH EXECUTED THIS REGULATORY AGREEMENT.

DEVELOPER'S INITIALS:

COUNTY'S INITIALS:

4.14 Relationship to Additional Regulatory Agreements. Notwithstanding any other provisions set forth in this Regulatory Agreement and subject to the following sentence, to the extent that the provisions related to tenant selection, tenant income levels and unit rent levels set forth in any Additional Regulatory Agreement are less restrictive than those provisions set forth in this Section 4, then the provisions set forth in this Section 4 shall govern and control. To the extent of any inconsistency between this Regulatory Agreement and any Additional Regulatory Agreement regarding Affordable Rent for the Affordable Units, the more restrictive agreement or covenants shall prevail unless compliance with such more restrictive provisions would violate the provisions of the less restrictive document.

Developer agrees to perform all of Developer's obligations under this Regulatory Agreement, and under each of the Additional Regulatory Agreements. In the event County is prevented by a final, non-appealable order of a court of competent jurisdiction in a lawsuit involving the Project, or by an applicable and binding published appellate opinion, or by a final, non-appealable order of a regulatory body having jurisdiction, from enforcing, for any reason, the affordability restrictions set forth in this Regulatory Agreement or in the Agreement, then in such event, unless prohibited to TCAC, County

shall be a third-party beneficiary under the Additional Regulatory Agreements, and shall have full authority to enforce any breach or default by Developer thereunder in the same manner as though it were a breach or default hereunder.

4.15 AHAP Contract; HAP Contract; PBV Units. Developer shall use commercially reasonable efforts to secure and enter into an AHAP Contract and HAP Contract, and to continually renew such contracts throughout the term of this Regulatory Agreement. Notwithstanding anything to the contrary in this Regulatory Agreement, during the term of any HAP Contract for the Property, the Affordable Units subject to project-based-voucher assistance pursuant to the HAP Contract (the “**PBV Units**”) shall be subject to the tenant selection and rental requirements and restrictions set forth in the HAP Contract, and to the extent that with respect to the PBV Units there is a conflict between the terms of this Regulatory Agreement and the terms of the HAP Contract, then with respect to the PBV Units the terms of the HAP Contract shall control. For the avoidance of doubt, the PBV Units shall not be subject to the tenant selection and priority requirements set forth in Sections 4.03 and 4.07 of this Regulatory Agreement. Any effective AHAP Contract and HAP Contract shall constitute an Additional Regulatory Agreement.

SECTION 5. COVENANT TO PAY TAXES AND ASSESSMENTS.

Developer shall pay prior to delinquency all ad valorem real estate taxes, special taxes, assessments and special assessments levied against the Property, subject to Developer’s right to contest any such tax in good faith and any property tax exemption.

SECTION 6. COVENANTS REGARDING MAINTENANCE.

Developer shall maintain the Property and all improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with all applicable provisions of the County Code, and in accordance with HUD’s Housing Quality Standards. Developer shall maintain the improvements and landscaping on the Property in accordance with the “Maintenance Standards,” as hereinafter defined. Such Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other improvements on the Property. To accomplish the maintenance, Developer shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Regulatory Agreement.

Developer and its maintenance staff, contractors or subcontractors shall comply with the following standards (the “**Maintenance Standards**”):

(a) The Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable high quality, well-managed apartment complexes, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curblin.

(b) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(c) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths, and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris, or other matter which is unsafe or unsightly; removal of all trash, litter, and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves, and other debris are properly disposed of by maintenance workers.

Upon County's written notification to Developer of any maintenance deficiency, Developer shall have thirty (30) days within which to correct, remedy or cure the deficiency, or such longer period as is reasonably necessary to complete the cure, provided Developer commences the correction, remedy, or cure within such thirty (30) day period and diligently pursues such correction, remedy, or cure to completion.

SECTION 7. COVENANTS REGARDING MANAGEMENT.

Developer shall provide for the management of the Project in accordance with this Section.

7.01 Property Manager. Developer shall manage or cause the Project, and all appurtenances thereto that are a part of the Project, to be managed in a prudent and business-like manner, consistent with property management standards for other comparable high quality, well-managed rental housing projects and commercial developments in Santa Cruz County, California. Developer may contract with a property management company or property manager to operate and maintain the Project in accordance with the terms of this Section ("**Property Manager**"); provided, however, the selection and hiring of the Property Manager (and each successor or assignee) is and shall be subject to prior written approval of County. Developer shall conduct due diligence and background evaluation of any potential outside property manager or property management company to evaluate experience, references, credit worthiness, and related qualifications as a property manager. Any proposed property manager shall have prior experience with projects and properties comparable to the Project and the references and credit record of such manager/company shall be investigated (or caused to be investigated) by Developer prior to submitting the name and qualifications of such proposed property manager to County for review and approval. A complete and true copy of the results of such background evaluation shall be provided to County. Approval of a Property Manager by County shall not be unreasonably withheld or delayed and shall be in County's reasonable discretion, and County shall use good faith efforts to respond as promptly as practicable in order to facilitate effective and ongoing management of the Project. Furthermore, the identity and retention of any approved Property Manager shall not be changed without the prior written approval of County, which approval shall not be

unreasonably delayed, and shall be in County's reasonable discretion. The selection by Developer of any new Property Manager also shall be subject to the foregoing requirements. County hereby approves MidPen Property Management as the initial Property Manager.

7.02 Management Plan. Not less than ninety (90) days prior to County's issuance of a certificate of occupancy, Developer shall prepare and submit to the Planning Director for review and approval an updated and supplemented management plan which includes a detailed plan and strategy for long-term marketing for the Affordable Units, operation, maintenance, repair, and security of the Project, method of selection of tenants, rules and regulations for tenants, and other rental policies for the Affordable Units (the "**Management Plan**"). Subsequent to approval of the Management Plan by the Planning Director, the ongoing management and operation of the Project shall be in compliance with the approved Management Plan. Developer and Property Manager may from time to time submit to the Planning Director proposed amendments to the Management Plan, which are also subject to the prior written approval of the Planning Director.

7.03 Social Services. Prior to and as one of Successor Agency's conditions to the Close of Escrow under the Agreement, Developer shall have prepared and submitted to the Planning Director for review and approval a resident services plan (the "**Resident Services Plan**"). Developer shall provide a variety of social services at the Project; as set forth in the Resident Services Plan. No changes may be made to the Resident Services Plan without the prior written approval of the Planning Director, which shall be given or withheld in his or her reasonable discretion. Developer's social service program shall be targeted to the needs of the residents of the Project which shall include, in addition to all of the services listed in Developer's applications for Tax Credits and Tax-Exempt Bonds (applicable only if Developer finances the Project with Tax-Exempt Bonds), the following services: after school programs of an ongoing nature for school age children, and the availability of a services coordinator to the tenants. Developer shall ensure that all personnel providing or coordinating all social services shall be adequately trained and counseled, including with respect to the appropriate means and methods of communicating and interacting with residents. Any substantive change in the scope, amount, or type of supportive services to be provided at the Property, whether or not such change requires a change to the Resident Services Plan, shall be subject to prior reasonable approval of County. County shall respond to any such proposed changes within thirty (30) days after submittal to County by Developer.

7.04 Gross Mismanagement. In the event of "Gross Mismanagement" (as that term is defined below) of the Affordable Units or any part of the Project, County shall have and retain the authority to direct and require any condition(s), acts, or inactions of Gross Mismanagement to cease and/or be corrected immediately, and further to direct and require the immediate removal of the Property Manager and replacement with a new qualified and approved Property Manager, if such condition(s) is/are not ceased and/or corrected after expiration of thirty (30) days from the date of Notice from County. If such condition(s) acts, or inactions of gross mismanagement do persist beyond such period, County shall have the sole and absolute right to immediately and without further notice to Developer (or to Property Manager or any other person/entity) replace the Property

Manager with a new property manager of County's selection at the sole cost and expense of Developer. If Developer takes steps to select a new property manager that selection is subject to the requirements set forth above for selection of a Property Manager.

For purposes of this Regulatory Agreement, the term "**Gross Mismanagement**" shall mean management of any part of the Project in a manner which materially violates the terms and/or intention of this Regulatory Agreement to operate a high quality, well-managed residential complex, and shall include, but is not limited to, any one or more of the following:

- (a) knowingly leasing Affordable Units to tenants who exceed the prescribed income levels;
- (b) knowingly allowing the tenants of Affordable Units to exceed the prescribed occupancy levels without taking immediate action to stop such overcrowding;
- (c) underfunding Capital Replacement or Operating Reserve accounts, unless funds are not available to deposit in such accounts;
- (d) failing to timely maintain the Project in accordance with the Management Plan and the manner prescribed herein;
- (e) failing to submit timely and/or adequate annual reports to County as required herein;
- (f) committing fraud or embezzlement with respect to Project funds, including without limitation funds in the reserve accounts;
- (g) failing to reasonably cooperate with the County of Santa Cruz Sheriff's Department or other local law enforcement agency(ies) with jurisdiction over the Project, in maintaining a crime-free environment within the Project;
- (h) failing to reasonably cooperate with the County Fire District or other local public safety agency(ies) with jurisdiction over the Project, in maintaining a safe environment within the Project;
- (i) failing to reasonably cooperate with the County Code Enforcement Division, or other local health and safety enforcement agency(ies) with jurisdiction over the Property and/or Project, in maintaining a safe environment within the Project; and
- (j) spending funds from the Capital Reserve account(s) for items that are not defined as capital costs under the standards imposed by generally accepted accounting principles (GAAP) (and/or, as applicable, generally accepted auditing principles.)

Notwithstanding the requirements of the Property Manager to correct any condition of Gross Mismanagement as described above, Developer is obligated and shall use its best efforts to correct any defects in property management or operations at the earliest feasible time and, if necessary, to replace the Property Manager as provided above. Developer shall include advisement and provisions of the foregoing requirements and

requirements of this Regulatory Agreement within any contract between Developer and its Property Manager.

7.05 Property Inspections. Developer acknowledges and agrees that County and its employees and authorized agents shall have the right to conduct inspections of the Project and the individual Affordable Units, both exterior and interior, at reasonable times and upon reasonable notice (not less than 48 hours prior notice) to Developer and/or an individual tenant. If such notice is provided by the County or its representative(s) to Developer, then Developer (or its Property Manager) shall immediately and directly advise tenants of such upcoming inspection and cause access to the area(s) and/or units to be made available and open for inspection. Developer shall include express advisement of such inspection rights within the lease/rental agreements for each Affordable Unit in order for each and every tenant and tenant household to be aware of this inspection right.

7.06 Drug Free Covenant. Developer shall use its best efforts to maintain a drug free environment on the Property. Developer covenants to County that Developer shall use its best efforts to ensure that all persons working or residing on the Property shall not unlawfully manufacture, distribute, dispense, possess or use controlled substances, as said term is defined in 21 United States Code Section 812 and California Health and Safety Code Section 11007 (or successor statutes) on the Property.

SECTION 8. COVENANTS REGARDING NONDISCRIMINATION.

Developer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person, or group of persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, or any part thereof, nor shall Developer, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property, or any part thereof. The foregoing covenants shall run with the land.

Developer agrees for itself and any successor in interest that Developer shall refrain from restricting the rental, sale, or lease of any portion of the Property, or contracts relating to the rental, sale or lease of the Property, on the basis of race, color, creed, religion, sex, marital status, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and

Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(b) **In leases:** “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: “That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(c) **In contracts:** “There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of this agreement, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

The covenants established in this Regulatory Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of County, its successors and assigns, and any successor in interest to the Property, together with any property acquired by Developer pursuant to this Regulatory Agreement, or any part thereof. The covenants against discrimination shall remain in effect in perpetuity.

SECTION 9. OPERATING BUDGET OR ANNUAL BUDGET; ANNUAL AND QUARTERLY REPORTS

9.01 Operating Budget. Developer shall submit to County on or before November 1 of each year an operating budget for the Project (“**Operating Budget**” or “**Annual Budget**”), which budget, including the format thereof, shall be subject to the written approval of the Planning Director or designee, which approval shall not be unreasonably withheld or conditioned so long as such budget is not inconsistent with this Regulatory Agreement. The Planning Director’s discretion in review and approval of each proposed annual Operating Budget or Annual Budget shall include, without limitation,

authority to review individual categories, line items, and accounts, such as the following: property and other taxes and assessments imposed on the Project; premiums for property damage and liability insurance; utility services not paid for directly by the tenants, including (as applicable), but not limited to, water, sewer, trash collection, gas, and electricity; maintenance and repairs including but not limited to pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial supplies; resident services pursuant to the Resident Services Plan; additional supportive services necessary to help residents maintain personal or household stability and housing status; any license or certificates of occupancy fees required for operation of the Project; general administrative expenses, including, but not limited to, advertising, marketing, security services and systems, professional fees for legal, audit, accounting and tax returns, and other; property management fees and reimbursements including on-site manager expenses, not to exceed fees and reimbursements which are standard in the industry and pursuant to a management contract approved by County (which such approval will not be unreasonably withheld); asset management fees; annual cash deposited into the Capital Replacement Reserve in an amount approved by County pursuant to Section 1 above, provided any changes to the amount deposited into the Capital Replacement Reserve will require County approval unless such change is a higher amount that is required by Developer's senior lender or the Investor, pursuant to the terms of the Partnership Agreement; cash deposited into the Operating Reserve for the Project and such other reserves as may be required by Developer's senior lender or the Investor; and debt service payments of loans in senior position to this loan . In the event Developer requires an amendment to an approved Annual Budget, then Developer shall submit a written request to the Planning Director explaining the requested amendment and reasons therefor; the Planning Director shall reasonably review and approve (or disapprove) each request for an amendment to an approved Annual Budget. The Planning Director shall communicate to Developer his or her reasonable approval or disapproval of a proposed annual Operating Budget or Annual Budget within thirty (30) days after receipt thereof; as to each amendment, the Executive Developer shall communicate to Developer his or her reasonable approval or disapproval within fifteen (15) days after receipt of a complete submittal requesting an amendment to an approved Annual Budget. In the event the Planning Director fails to approve a proposed annual Operating Budget or Annual Budget within thirty (30) days after receipt thereof, Developer may operate the Project in accordance with such proposed annual Operating Budget or Annual Budget until the Planning Director notifies Developer that such proposed annual Operating Budget or Annual Budget is not approved; provided, however, that in such case any expenditure made by Developer prior to the Planning Director's notification that the proposed annual Operating Budget or Annual Budget is not approved shall be deemed an approved expenditure.

9.02 Annual Reports. Developer covenants and agrees to submit to County an annual report (the "Annual Report"), which shall include the information required by California Health & Safety Code Section 33418. The Annual Report shall include for each Affordable Unit the rental rate and the income and family size of the occupants. The Developer shall submit the Annual Report on or before September 1st of the year following the year covered by the Annual Report. The Developer shall provide for the submission of household information and certification in its leases with tenants.

9.03 Quarterly Reports. Upon execution of this Regulatory Agreement and until permanent loan conversion, Developer shall also submit on a quarterly basis a quarterly report for the management of the Property (the “**Quarterly Report**”). The Quarterly Report shall describe the Project-related tasks performed in the past 3 months and the expected Project-related tasks to be performed in the upcoming 3 months. The report should include an updated Project schedule, including a schedule for completing milestones and/or tasks, and should indicate the status of the Project in relationship to this timeline. Developer shall document any changes from the timeline submitted with the most recent funding application. From time to time, County may request from Developer an updated Project proforma which shall include a development budget with sources and uses, debt sizing, calculations and pricing for the Tax Credits, 30-year operating proforma, base year income projection, and maintenance and operating expenses; Developer will have thirty (30) days to satisfy such request. The Quarterly Report shall be in a form that is reasonably acceptable to the Planning Director. The Planning Director, in his/her sole discretion may waive the requirement of the Quarterly Report for one or more quarterly reporting periods. However, such waiver shall not operate to waive any subsequent requirement of the Quarterly Report. After receipt of such certified financial statements for the Project, County may request additional financial analysis or obtain a third party review at County’s own expense, of financial statements for the Project to verify the accuracy of the payments by Developer on the County Note or the required deposits into the Capital Replacement Reserve.

SECTION 10. COVENANTS REGARDING CAPITAL REPLACEMENT RESERVE.

Promptly upon the conversion of Developer’s Construction Financing to Permanent Financing, Developer shall establish the Capital Replacement Reserve. Funds in the Capital Replacement Reserve shall be used only for capital repairs, improvements, and replacements to the Project fixtures and equipment which may be capitalized under generally accepted accounting principles. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve or lessen Developer’s obligation to undertake any and all necessary capital repairs, improvements, or replacements and to continue to maintain the Project in the manner prescribed herein. Not less than once per year, Developer, at its expense, shall submit to County an accounting for the Capital Replacement Reserve. Capital repairs to and replacement of the Project shall include only those items with a long useful life, including, without limitation, the following: carpet and drape replacement; appliance replacement; exterior painting, including exterior trim; hot water heater replacement; plumbing fixtures replacement, including tubs and showers, toilets, lavatories, sinks, faucets; air conditioning and heating replacement; asphalt repair and replacement, and seal coating; roofing repair and replacement; landscape tree replacement; irrigation pipe and controls replacement; sewer line replacement; water line replacement; gas line pipe replacement; lighting fixture replacement; elevator replacement and upgrade work; miscellaneous motors and blowers; common area furniture replacement; and common area repainting.

SECTION 11. COVENANTS REGARDING OPERATING RESERVE.

Promptly upon conversion of Developer’s Construction Financing to Permanent Financing, Developer shall establish the Operating Reserve. The Operating Reserve

shall be used to cover shortfalls between Annual Project Revenue and actual operating expenses, but shall in no event be used to pay for capital items or capital costs properly payable from the Capital Replacement Reserve. Developer shall, not less than once per every twelve (12) months, submit to County evidence reasonably satisfactory to County of compliance herewith.

SECTION 12. EFFECT OF VIOLATION OF THE TERMS AND PROVISIONS OF THIS REGULATORY AGREEMENT AFTER COMPLETION OF CONSTRUCTION.

County is deemed the beneficiary of the terms and provisions of this Regulatory Agreement and of the covenants running with the land, without regard to whether County has been, remains or is an owner of any land or interest therein in the Property or in the Project. County shall have the right, if this Regulatory Agreement or any of the covenants herein are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Regulatory Agreement and covenants may be entitled. The County is hereby deemed to be a third party beneficiary of this Regulatory Agreement and the covenants contained herein with the right, but not the obligation, to enforce the terms hereof. Except as provided in the following sentence, the covenants contained in this Regulatory Agreement shall remain in effect until the expiration of the Affordability Period. The covenants regarding discrimination as set forth in Section 8 shall remain in effect in perpetuity.

SECTION 13. COMPLIANCE WITH LAWS; ENVIRONMENTAL MATTERS.

13.01 Compliance With Laws. Developer shall comply with (i) all Governmental Requirements applicable to the Project and/or Property, (ii) any permit issued pursuant to the National Pollutant Discharge Elimination System (“NPDES”) and applicable to the Project and/or Property, and (iii) all rules and regulations of any assessment district of the County with jurisdiction over the Property.

13.02 Indemnity. Developer shall save, protect, defend, indemnify and hold harmless County and Successor Agency and County and Successor Agency Personnel from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines, and monetary sanctions), losses, costs or expenses (including, without limitation, consultants’ fees, investigation and laboratory fees, reasonable attorneys’ fees, and remedial and response costs) (the foregoing are hereinafter collectively referred to as “**Liabilities**”) which may now or in the future be incurred or suffered by any of County and Successor Agency and County and Successor Agency Personnel by reason of, resulting from, in connection with, or existing in any manner whatsoever as a direct or indirect result of (i) Developer’s failure to comply with all applicable Governmental Requirements; (ii) Developer’s failure to comply with any applicable NPDES permit; (iii) Developer’s placement on or under the Property of any Hazardous Materials or Hazardous Materials Contamination, (iv) Developer’s breach of its obligations under Section 5.4 or 5.5 hereinafter; or (v) any Liabilities incurred under any Governmental Requirements relating to the acts described in the foregoing clauses (i), (ii), (iii), and (iv). Except for obligations assumed by Developer in Section 13.03 and Section 13.04 hereinafter, Developer shall have no indemnity obligation to any of the

County and Successor Agency and County and Successor Agency Personnel for any Liabilities arising from or related to Successor Agency's or County's failure to comply with any Governmental Requirements, whether known or unknown, that existed or arose prior to the Date of Regulatory Agreement, regardless of when such Liabilities may accrue.

13.03 Duty to Prevent Hazardous Material Contamination. Developer shall take commercially reasonable action to prevent the exacerbation of an existing release of any Hazardous Materials located on the Property and the release of any new Hazardous Materials to the Property after the Date of Regulatory Agreement. For the avoidance of ambiguity only, nothing in the previous sentence shall limit Developer from maintaining Hazardous Materials existing on the Property prior to the Date of Regulatory Agreement or consolidating such Hazardous Materials on the Property, all to the extent permitted by Law. Developer's duty to prevent Hazardous Materials Contamination shall include compliance with all Governmental Requirements with respect to Hazardous Materials. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with the standards generally applied by apartment complexes in Santa Cruz County, California as respects the disclosure, storage, use, removal, and disposal of Hazardous Materials.

13.04 Obligation of Developer to Remediate Premises. Notwithstanding the obligation of Developer to indemnify County and Successor Agency and County and Successor Agency Personnel pursuant to Section 13.02, and provided no Hazardous Materials exist on the Property as a result of either County or Successor Agency's actions, Developer shall, at its sole cost and expense, promptly take (i) all actions required by any federal, state, regional, or local governmental agency or political subdivision or any Governmental Requirements and (ii) all actions necessary to make full economic use of the Property for the purposes contemplated by this Regulatory Agreement and the Agreement, which requirements or necessity arise from the presence upon, about or beneath the Property, of any Hazardous Materials or Hazardous Materials Contamination. Such actions shall include, but not be limited to, the investigation of the environmental condition of the Property, the preparation of any feasibility studies or reports and the performance of any cleanup, remedial, removal or restoration work.

13.05 Environmental Inquiries. Developer, when it has received any notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, or cease and desist orders related to Hazardous Materials or Hazardous Materials Contamination, or when Developer is required to report to any governmental agency any violation or potential violation of any Governmental Requirement pertaining to Hazardous Materials or Hazardous Materials Contamination, shall concurrently notify the Planning Director, and provide to him/her a copy or copies, of the environmental permits, disclosures, applications, entitlements, or inquiries relating to the Property, the notices of violation, notices to comply, citations, inquiries, clean-up or abatement orders, cease and desist orders, reports filed pursuant to self-reporting requirements, and reports filed or applications made pursuant to any Governmental Requirement relating to Hazardous Materials and underground tanks, and Developer shall report to the Planning Director, as soon as possible after each incident, any unusual, potentially important incidents.

In the event of a responsible release of any Hazardous Materials into the environment in violation of law, Developer shall, as soon as possible after it becomes aware of the release, furnish to the Planning Director a notification that the release occurred and a copy of any and all test results and final reports relating thereto and copies of all correspondence with governmental agencies relating to the release. Upon request of the Planning Director, Developer shall furnish to the Planning Director a copy or copies of any and all other environmental entitlements or inquiries relating to or affecting the Property including, but not limited to, all permit applications, permits, test results and final reports including, without limitation, those reports and other matters which may be characterized as confidential. For the avoidance of ambiguity only, Developer shall be under no obligation to furnish any attorney-client privileged documents; provided, however, that Developer may not withhold from County facts regarding a violation of law that affects the Property

SECTION 14. INSURANCE REQUIREMENTS.

14.01 General. Commencing on the Date of Regulatory Agreement and continuing in perpetuity, Developer shall procure and maintain, at its sole cost and expense, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects County and any insurance or self-insurance maintained by County shall be considered in excess of Developer's insurance coverage and shall not contribute to it. If Developer normally carries insurance in an amount greater than the minimum amount required by County for this Regulatory Agreement, that greater amount shall become the minimum required amount of insurance for purposes of this Regulatory Agreement. Therefore, Developer hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Regulatory Agreement. Insurance is to be obtained from insurers reasonably acceptable to County.

If Developer utilizes one or more subcontractors in the performance of this Regulatory Agreement, Developer shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of Developer in this Regulatory Agreement, unless Developer and County both initial here ____ / ____.

14.02 Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the Developer has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of Developer's vehicles used in the performance of this Regulatory Agreement, including owned, non-owned (e.g. owned by Developer's employees), leased or hired vehicles, in the minimum amount of \$1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the Developer does not drive a

vehicle in conjunction with any part of the performance of this Regulatory Agreement and Developer and County both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$3,000,000 per occurrence, and \$5,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$_____ combined single limit, if, and only if, this subparagraph is initialed by Developer and County ____ / ____.

(5) Builder's Risk (course of construction) insurance coverage in an amount equal to the full cost of the hard construction costs of the Project. Such insurance shall cover, at a minimum: all work, materials, and equipment to be incorporated into the Project; the Project during construction; the completed Project until such time as (i) County issues a final certificate of occupancy (or equivalent document, if County does not issue certificates of occupancy), and (ii) County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement, and storage and transportation risks. Such insurance shall protect/insure the interests of Developer/owner and all of Developer's contractor(s), and subcontractors, as each of their interests may appear. If such insurance includes an exclusion for "design error," such exclusion shall only be for the object or portion which failed. County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall terminate on the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

(6) Insurance against fire, extended coverage, vandalism, and malicious mischief, and such other additional perils, hazards, and risks as now are or may be included in the standard "all risk" form in general use in Santa Cruz County, California, with the standard form fire insurance coverage in an amount equal to full actual replacement cost thereof, as the same may change from time to time. The above insurance policy or policies shall include coverage for earthquakes to the extent required by any Project lender or Investor. County shall be a loss payee under such policy or policies and such insurance shall contain a replacement cost endorsement. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

(7) Business interruption and extra expense insurance to protect Developer and County covering loss of revenues and/or extra expense incurred by reason of the total or partial suspension or delay of, or interruption in, the operation of the Project caused by loss or damage to, or destruction of, any part of the insurable real property structures or equipment as a result of the perils insured against under the all risk physical

damage insurance, covering a period of suspension, delay or interruption of at least twelve (12) months, in an amount not less than the amount required to cover such business interruption and/or extra expense loss during such period. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

(8) Boiler and machinery insurance in the aggregate amount of the full replacement value of the equipment typically covered by such insurance. Notwithstanding anything to the contrary in this Section 14.02, however, Developer's requirement to maintain the insurance required by this paragraph shall not commence until the date County issues a Release of Construction Covenants for the Project pursuant to the terms of the Agreement.

14.03 Other Insurance Provisions

(1) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover Successor Agency and the County of Santa Cruz, and their respective officials, officers, members, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of Developer, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(2) All required policies shall be endorsed to contain the following clause:

"This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

Santa Cruz County
Planning Department
Attn: Housing Manager
701 Ocean Street, Room 418
Santa Cruz, CA 95060

Should Developer fail to obtain such an endorsement to any policy required hereunder, Developer shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the County as a material term of this Agreement.

(3) Developer agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide County on or before the Date of Regulatory Agreement with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning

shall not waive the Developer's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

Santa Cruz County
Planning Department
Attn: Housing Manager
701 Ocean Street, Room 418
Santa Cruz, CA 95060

(4) Developer hereby grants to County a waiver of any right of subrogation which any insurer of said Developer may acquire against County by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

14.04 Developer's Continuing Indemnification Obligations. Developer agrees that the provisions of this Section shall not be construed as limiting in any way County's right to indemnification or the extent to which Developer may be held responsible for the payment of damages to any persons or property resulting from Developer's activities or the activities of any person or persons for which Developer is otherwise responsible.

14.05 Remedies for Defaults Re: Insurance. In addition to any other remedies County may have, if Developer commits a default hereunder by failing to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, County may at its sole option, obtain such insurance and invoice the Developer for the amount of said premium. Exercise of the remedy set forth herein, however, is an alternative to other remedies County may have and is not the exclusive remedy for Developer's failure to maintain insurance or secure appropriate endorsements.

14.06 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance. If the Project shall be totally or partially destroyed or rendered uninhabitable by fire or other casualty required to be insured against by Developer, Developer shall, subject to the rights of the lender providing Construction Financing or Permanent Financing, promptly proceed to obtain all available insurance proceeds and, to the extent proceeds are available, take all steps necessary to begin reconstruction and, immediately upon receipt of insurance proceeds, to promptly and diligently commence the repair or replacement of the Project to substantially the same condition as it existed prior to the casualty, and Developer shall complete or cause to be completed the same as soon as possible thereafter so that the Project can be operated in accordance with this Regulatory Agreement. County shall cooperate with Developer, at no expense to County, in an effort to obtain any governmental permits required for such repair, replacement, or restoration.

14.07 Indemnification. Developer shall defend (by counsel reasonably satisfactory to County), assume all responsibility for and hold County and Successor Agency and County and Successor Agency Personnel harmless from all claims or suits for, and damages to, property and injuries to persons, including accidental death (including expert witness fees, attorney's fees and costs), which may be caused by the

activities or performance of Developer or any of Developer's employees, agents, representatives, contractors, or subcontractors under (i) this Regulatory Agreement, (ii) a claim, demand or cause of action that any person has or asserts against Developer; (iii) any act or omission of Developer, any contractor, subcontractor or material supplier, engineer, architect or other person with respect to the Property; or (iv) the ownership, occupancy or use of the Property by Developer, whether such damage shall accrue or be discovered before or after termination of this Regulatory Agreement. The obligations and indemnifications in this Section 14.07 shall constitute covenants running with the land.

SECTION 15. ASSIGNMENT.

15.01 Generally Prohibited. Except as otherwise expressly provided to the contrary in this Regulatory Agreement, Developer shall not assign any of its rights or delegate any of its duties under this Regulatory Agreement, nor shall any changes occur with respect to the ownership and/or control of Developer, including, without limitation, stock transfers, sales of issuances, or transfers, sales or issuances of membership or ownership interests, or statutory conversions, without the prior written consent of the Planning Director, which consent may be withheld in his or her sole and absolute discretion. Any such assignment or delegation without such consent shall, at County's option, be void. Notwithstanding the foregoing, however, (i) Developer may admit Developer's Tax Credit investor (the "**Investor**") as a 99.99% Tax Credit limited partner without obtaining any consent, and such Investor may assign its interests as a 99.99% Tax Credit limited partner to a subsequent reputable institutional investor without any consent; and (ii) Developer may transfer the Project to MidPen or an Affiliate of MidPen pursuant to the right of first refusal or purchase option entered into between MidPen and the Partnership at the Close of Escrow pursuant to the Partnership Agreement; and (iii) the Investor may remove the general partner for a default under the Partnership Agreement, provided the replacement general partner is reasonably acceptable to County. For purposes of this Section 15.01, if the Investor transfers to an entity in which the Investor or an Affiliate of the Investor is the general partner or managing member such transferee entity shall be deemed to be a "reputable institutional investor." This Section 15.01 shall not be applicable to the leasing of Affordable Units to Eligible Tenants in accordance with this Regulatory Agreement.

15.02 Release of Developer. Upon any such assignment made in compliance with Section 15.01 above which is evidenced by a written assignment and assumption agreement in a form approved by County's counsel, Developer shall be released from any liability under this Regulatory Agreement arising from and after the date of such assignment.

SECTION 16. DEFAULTS AND REMEDIES.

16.01 Default. Subject to the extensions of time set forth in Section 17.02 of this Regulatory Agreement, failure by either Party to perform any action or covenant required by this Regulatory Agreement or under the Agreement within the time periods provided herein and therein following Notice and failure to cure as described hereafter, constitutes a "Default" under this Regulatory Agreement. A Party claiming a Default shall give written Notice of Default to the other Party specifying such Default. Except as otherwise expressly provided in this Regulatory Agreement or in the Agreement, the claimant shall

not institute any proceeding against any other Party, and the other Party shall not be in Default if such party within thirty (30) days from receipt of such Notice, cures, corrects or remedies such failure or delay, or if such Default cannot reasonably be cured within thirty (30) days, such Party commences such cure within thirty (30) days of receipt of such Notice and thereafter diligently prosecutes such cure to completion.

16.02 Remedies; Institution of Legal Actions. Developer's sole remedy for County's breach of this Regulatory Agreement shall be to institute an action at law or equity to seek specific performance of the terms of this Regulatory Agreement. Developer shall not be entitled to recover damages for any Default of County hereunder. County shall be entitled to seek any remedy available at law and in equity for Developer's breach of this Regulatory Agreement. All legal actions must be instituted in the Superior Court of the County of Santa Cruz, State of California, or in the United States District Court for District of California in which Santa Cruz County is located.

16.03 Termination by County. In the event that Developer is in Default of this Regulatory Agreement or the Agreement, and (i) such Default is material and (ii) Developer fails to cure such Default within the time set forth in Section 16.01 hereof, then County may, at County's option, terminate this Regulatory Agreement.

16.04 Acceptance of Service of Process. In the event that any legal action is commenced by Developer against County, service of process on County shall be made by personal service upon the Planning Director or in such other manner as may be provided by law. In the event that any legal action is commenced by County against Developer, service of process on Developer shall be made in such manner as may be provided by law.

16.05 Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Regulatory Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same Default or any other Default by the other Party.

16.06 Inaction Not a Waiver of Default. Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

16.07 Applicable Law. The internal laws of the State of California shall govern the interpretation and enforcement of this Regulatory Agreement, without regard to conflict of law principles.

SECTION 17. GENERAL PROVISIONS.

Notices, Demands and Communications Between the Parties. Any notices, demands or other communications required or permitted to be given by any provision of this Agreement or which any party may desire to give the other ("**Notices**") shall be given in writing to the appropriate party, and shall be (a) delivered personally, (b) sent as a PDF

or similar attachment to an e-mail, provided that such e-mail shall be followed with a hard copy sent by first-class mail, postage prepaid, within one (1) business day, (c) sent by certified mail, postage prepaid, or (d) sent by a reputable delivery service which provides a receipt with the time and date of delivery, addressed to a party, at the addresses set forth below, or to such other address as said party may hereafter or from time to time designate by written notice to the other party. All Notices shall be addressed as follows:

If to Developer:	MP Live Oak Associates, L.P. c/o MidPen Housing Corporation 303 Vintage Park Drive, Suite 250 Foster City, CA 94404 Attn: Jan Lindenthal Telephone No.: 650-356-2919 E-mail: jlindenthal@midpen-housing.org
If to County:	County of Santa Cruz 701 Ocean Street, Room 418 Santa Cruz, CA 95060 Attn: Planning Director Reference: 17 th & Capitola Redevelopment Project Telephone No.: 831-454-2332 E-mail: HousingProgramsInfo@santacruzcounty.us
with a copy to	Rutan & Tucker, LLP 611 Anton, Suite 1400 Costa Mesa, CA 92626 Attn: Allison LeMoine-Bui, Esq. Telephone No.: 714-641-5100 E-mail: alemoine-bui@rutan.com

Notice given by United States Postal Service or delivery service as provided herein shall be considered given on the earlier of the date on which said notice is actually received by the party to whom such notice is addressed, or as of the date of delivery, whether accepted or refused, established by the United States Postal Service return receipt or such overnight carrier's receipt of delivery, as the case may be. Notice given by e-mail attachment as provided above shall be deemed given on the date on which the e-mail was sent, provided the recipient has confirmed receipt as evidenced by sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement, provided that, if recipient has not confirmed receipt of any notice or other communication to be delivered by e-mail attachment as provided above, notice shall be deemed given on the next business day, provided the such e-mail was followed up with a hard copy as required above). Any such notice not so given shall be deemed given upon receipt of the same by the party to which it is addressed.

Addresses for notice may be changed from time to time by notice to the other Party. Notwithstanding that Notices shall be deemed given when delivered, the non-

receipt of any Notice as the result of a change of address of which the sending Party was not notified shall be deemed receipt of such Notice.

17.01 Enforced Delay; Extension of Times of Performance. In addition to specific provisions of this Regulatory Agreement, performance by either Party hereunder shall not be deemed to be in Default, and all performance and other dates specified in this Regulatory Agreement shall be extended, where delays or Defaults are due to: war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine; restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts or omissions of the other Party; acts or failures to act of any public or governmental agency or entity (other than the acts or failures to act of County which shall not excuse performance by County); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Regulatory Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other party within ten (10) days of the commencement of the cause. Times of performance under this Regulatory Agreement may also be extended in writing by the mutual agreement of County and Developer. Notwithstanding any provision of this Regulatory Agreement to the contrary, the lack of funding to complete the construction of the Project shall not constitute grounds of enforced delay pursuant to this Section.

17.02 Relationship Between County and Developer. It is hereby acknowledged by Developer that with the exception of any membership interest of County in the general partner of Developer, the relationship between County and Developer is not that of a partnership or joint venture and that County and Developer shall not be deemed or construed for any purpose to be the agent of the other. Accordingly, with the exception of (i) any membership interest of Landlord in the general partner of Tenant, and (ii) any provisions expressly set forth to the contrary in the Agreement, herein, or in the exhibits hereto, County shall have no rights, powers, duties or obligations with respect to the development, operation, maintenance or management of the Project. Developer agrees to indemnify, hold harmless and defend County from any claim made against County arising from a claimed relationship of partnership or joint venture between County and Developer with respect to the development, operation, maintenance or management of the Property or the Project, except to the extent occasioned by the active negligence or willful misconduct of County or its designated agents or employees.

17.03 No Third Party Rights. The Parties intend that no rights nor remedies be granted to any third party as a beneficiary of this Regulatory Agreement or of any covenant, duty, obligation or undertaking established herein.

17.04 County Approvals and Actions. This Regulatory Agreement shall be administered and executed on behalf of County by the Planning Director. The Planning Director shall have the authority to issue interpretations, waive terms and conditions, enter into implementing agreements and amendments of this Regulatory Agreement on

behalf of County provided that such actions do not substantially change the uses or development permitted on the Property, materially add to the costs or obligations, increase the risk of liability, or impair the rights or remedies, of County provided herein, or materially decrease the revenues or other compensation to be received by County hereby. All other waivers or amendments shall require the formal consent of the Board of Directors of County.

17.05 Counterparts. This Regulatory Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement.

17.06 Integration. This Regulatory Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Regulatory Agreement. Each Party is entering this Regulatory Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such party deems material. This Regulatory Agreement constitutes the entire understanding and agreement of the Parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

17.07 Real Estate Brokerage Commission. County and Developer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with this transaction, and each agrees to defend and hold harmless the other from any claim to any such commission or fee resulting from any action on its part.

17.08 Attorneys' Fees. In any action between the Parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with, any of the terms or provisions of this Regulatory Agreement, the prevailing Party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled, reasonable costs, expenses including, without limitation, litigation costs, reasonable attorneys' fees, and expert witness fees.

17.09 Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe, or limit the scope or the intent of this Regulatory Agreement or of any of its terms. Reference to section numbers are to sections in this Regulatory Agreement, unless expressly stated otherwise.

17.10 Interpretation. As used in this Regulatory Agreement, masculine, feminine, or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Regulatory Agreement shall be interpreted as though prepared jointly by both Parties.

17.11 No Waiver. All waivers of the provisions of this Regulatory Agreement must be in writing by the appropriate authorities of Developer and County. A waiver by either Party of a breach of any of the covenants, conditions or agreements under this Regulatory Agreement to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Regulatory Agreement.

17.12 Modifications. Any alteration, change or modification of or to this Regulatory Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

17.13 Severability. If any term, provision, condition or covenant of this Regulatory Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Regulatory Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

17.14 Computation of Time. The time in which any act is to be done under this Regulatory Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

17.15 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Regulatory Agreement, and in signing this Regulatory Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Regulatory Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Regulatory Agreement; and, they have freely signed this Regulatory Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees, or attorneys, except as specifically set forth in this Regulatory Agreement, and without duress or coercion, whether economic or otherwise.

17.16 Time of Essence. Time is expressly made of the essence with respect to the performance by County and Developer of each and every obligation and condition of this Regulatory Agreement.

17.17 Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Regulatory Agreement including, but not limited to, releases or additional agreements.

17.18 Non-Liability of Officials and Employees of County and the Successor Agency. No member, director, officer, employee, or volunteer of County of the Successor Agency shall be personally liable to Developer, or any successor in interest, in the event of any Default or breach by County or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Regulatory Agreement. Developer hereby waives and releases any claim it may have against any of the County and Successor Agency and County and Successor Agency Personnel with respect to any Default or breach by County or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Regulatory Agreement. Developer makes such release with full knowledge of Civil Code Section

1542 and hereby waives any and all rights thereunder to the extent of this release, if such Section 1542 is applicable. Section 1542 of the Civil Code provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

Developer's Initials

[End – signatures on next page]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

IN WITNESS WHEREOF, the parties have executed this Regulatory Agreement as of the respective dates set forth below.

“County”

COUNTY OF SANTA CRUZ, a political subdivision
of the State of California

Date: _____

By: _____
Kathleen Molloy, Planning Director

“Developer”

MP LIVE OAK ASSOCIATES, L.P.,
a California limited partnership

By: MP Live Oak LLC, a California limited
liability company

Its: General partner

By: Mid-Peninsula San Carlos Corporation,
a California nonprofit public benefit
corporation

Its: Sole member/manager

Date: _____

By: _____
Jan Lindenthal
Assistant Secretary

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
 (insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

[To be inserted]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

EXHIBIT B**MAP**

[See following page]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

EXHIBIT C
INCOME COMPUTATION AND CERTIFICATION FORM

(See following document)

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

COUNTY OF SANTA CRUZ

701 Ocean Street, Room 418, Santa Cruz, CA 95060

INCOME COMPUTATION AND CERTIFICATION FORM (Affordable Housing Eligibility for Renter Occupied Unit)

PART I. PROPERTY FINANCED WITH GOVERNMENT ASSISTANCE

Property Address: _____

PART II. TENANT HOUSEHOLD INFORMATION

		Date of Birth	Soc. Sec. #	Relationship

TOTAL NUMBER OF PERSONS IN HOUSEHOLD: _____ (Please list information on other household members below)

Mailing Address: _____ Telephone Numbers: Work(____)

Home (____) _____

PART III. GROSS HOUSEHOLD INCOME Complete the following, attach copies of required verification as specified below. Attach a note explaining any significant changes in household income between the previous year and the current year. INFORMATION IS REQUIRED FOR ALL MEMBERS OF THE HOUSEHOLD AGE 18 OR OLDER REGARDLESS OF WHETHER THEY CONTRIBUTE TO THE COSTS OF THE HOUSEHOLD. If you are not required to file a tax return, please indicate this in Part V by your signature.

	ANN INCOME	ANN INCOME	
INCOME SOURCES	for owner	others in hshld	VERIFICATIONS (needed for file)
A. Employment earnings			Last tax return & last 3 pay stubs, employer verification

B. Self-employment earnings			Last 2 tax returns & current financial stmt
C. Social Security (OASDI)			Annual award letter
D. Supplemental Security Income (SSI)			Annual award letter
E. Public assistance (AFDC, general assistance, unemployment, etc.)			Current benefit statement
F. Pension (s)			Annual award letter, year end stmt, W-2
G. Interest income			Last 2 statements for all accounts
H. Investment income (stocks, bonds, real estate, etc.)			Last 2 statements for all accounts
I. Room rental			Rental agreement, copies of checks, etc.
J. Other income (list type/source)			
K. TOTAL INCOME (sum of A thru J)			/ 12 months = _____ mo. income

PART IV. PROPERTY STATUS

Will this property be your primary residence? _____

Will someone other than the individuals listed above be occupying this property? _____

If yes – Name of occupants: _____

Telephone Number: _____ Mailing Address: _____

My/our housing expenses are as follows:

1. Monthly tenant rent _____

2. Average monthly utilities _____

PART V. TENANT CERTIFICATION

I/We understand that after the initial eligibility determination, completion of monitoring forms is required on an annual basis. I/We certify that I/we have disclosed all information pertaining to

my/our application and that the information presented in the foregoing Sections I through IV is true and accurate to the best of my (our) knowledge.

Tenant Date

Tenant Date

For more information regarding this application, please contact management staff at (760) _____.

FOR OFFICE USE ONLY

____ Information verified
 ____ Income category
 ____ Maximum allowable annual income (____ % of median)
 ____ Applicant's annual income _____ gross monthly _____ max housing costs

Comments: _____

Management Staff Date

EXHIBIT D
INCOME RECERTIFICATION FORM

(See following document)

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

COUNTY OF SANTA CRUZ
701 Ocean Street, Room 418 Santa Cruz, CA 95060

INCOME RECERTIFICATION FORM
(Renter Occupied Unit)

PART I. GENERAL INFORMATION

1. Property Owner Name _____
2. Renter Name _____
3. Property Address _____
County of Santa Cruz, CA _____ (Please include P.O. Box No. if applicable)
4. Has there been a change in ownership of this property during the preceding 12 month period?
Yes() No()

(If yes, please explain) _____

PART II. UNIT INFORMATION

5. Number of Bedrooms _____
6. Number of Occupants _____
Names: _____

PART III. AFFIDAVIT OF RENTER

I, _____, and I, _____, as renters of units assisted pursuant to the County of Santa Cruz ("County") Affordable Housing Program (the "Program"), do hereby represent and warrant that the following computation includes all income (I/we) **anticipate receiving for the 12-month period commencing on January 1, 20__** (including the renter(s) and all family members of the renters):

- (a) amount of wages, salaries, overtime pay, commissions, fees, tips and bonuses, and payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (before payroll deduction) _____
- (b) net income from business or profession or rental of property (without deduction for repayment of debts or expansion of business) _____
- (c) interest and dividends _____
- (d) periodic receipts such as social security, annuities, pensions, retirement funds, insurance policies, disability or death benefits, alimony, child support, regular contributions or gifts from persons not occupying unit _____
- (e) public assistance allowance or grant plus excess of maximum allowable for shelter or utilities over the actual allowance for such purposes _____

- (f) regular and special pay and allowances of a member of armed services (whether or not living in the dwelling) who is head of the family or spouse _____

Subtotal (a) through (f) _____

LESS: Portion of above items which are income of a family member who is less than 18 years old or a full-time student (_____)

TOTAL ELIGIBLE INCOME _____

NOTE: The following items are not considered income: casual or sporadic gifts; amounts specifically for or in reimbursement of medical expenses; lump sum payment such as inheritances, insurance payments, capital gains and settlement for personal or property losses; educational scholarships paid directly to the student or educational institution; government benefits to a veteran for education; special pay to a serviceman head of family away from home and under hostile fire; foster child care payments; value of coupon allotments for purpose of food under Food Stamp Act of 1964 which is in excess of amount actually charged the eligible household; relocation payments under Title II of Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; payments received pursuant to participation in the following programs: VISTA, Service Learning Programs, and Special Volunteer Programs, SCORE, ACE, Retired Senior Volunteer Program, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience.

2. This affidavit is made with the knowledge that it will be relied upon by the Landlord and County to determine maximum income for eligibility and (I/we) warrant that all information set forth in this Part III is true, correct and complete and based upon information (I/we) deem reliable and that the estimate contained in paragraph 1 is reasonable and based upon such investigation as the undersigned deemed necessary.
3. (I/We) will assist the Landlord and County in obtaining any information or documents required to verify the statements made in this Part III and have **attached hereto a copy of our federal income tax return for the last year (20__)**.
4. (I/We) acknowledge that (I/we) have been advised that the making of any misrepresentation or misstatement in this affidavit will constitute a material breach of (my/our) agreement with the Landlord to rent the unit and will additionally enable County to initiate and pursue all applicable legal and equitable remedies with respect to the unit and to me/us.

B. (My/Our) monthly housing expenses are limited to the following:

1. Base rent _____
2. Average Monthly Utilities _____
3. Other (explain) _____

(I/We) understand that completion of monitoring forms is required on an annual basis and agree to notify County in writing of any change in ownership or rental of the unit. (I/We) do hereby swear under penalty of perjury that the foregoing statements are true and correct.

Date _____ Renter(s) _____

EXHIBIT E
FORM OF CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE
(See following document)

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

The undersigned, being duly authorized to execute this certificate on behalf of _____, owner of the _____ Project, hereby represents and warrants that:

1. He/she has read and is thoroughly familiar with the provisions of the Affordable Housing Regulatory Agreement between County and _____.

2. As of June 30, 20__, the following number of residential units in the Project (i) are currently occupied by tenants qualifying as _____ Income Households at Affordable Rents; (ii) are currently occupied by tenants qualifying as _____ Income Households at Affordable Rents; (iii) are currently occupied by tenants qualifying as _____ Income Households at Affordable Rents; or (iv) are currently vacant and being held available for occupancy by Eligible Tenants and have been so held continuously since the date Eligible Tenants vacated such unit, as indicated:

- i. _____ Units occupied by _____ Income Households
- ii. _____ Units occupied by _____ Income Households
- iii. _____ Units occupied by _____ Income Households
- iv. _____ Units occupied by _____ Income Households
- v. _____ Units occupied by _____ Income Households
- vi. _____ vacant Units

3. The unit number, unit size, rental amount charged and collected, number of occupants, and the income of the occupants for each Affordable Unit in the Project are set forth on the attached list. All Affordable Units in the Project are rented at Affordable Rent.

DEVELOPER NAME

_____,
a California limited partnership

Dated: _____, 20__

By: _____

(Printed name and title)

ATTACHMENT NO. 11
NOTICE OF AFFORDABILITY RESTRICTIONS

(See following document)

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attn: Planning Director

Exempt From Recording Fee Pursuant to Government Code § 27383

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

Important notice to owners, purchasers, tenants, lenders, brokers, escrow and title companies, and other persons, regarding affordable housing restrictions on the real property described in this Notice:

Affordable housing restrictions have been recorded with respect to the property described below (referred to in this Notice as the “**Property**”) which require that the Property be developed as an affordable rental housing development and that all of the units be rented to and occupied by persons and households of limited income at affordable rents.

Title of Document Containing Affordable Housing Restrictions:
Affordable Housing Regulatory Agreement (“Agreement”).

Parties to Agreement: MP LIVE OAK ASSOCIATES, L.P., a California limited partnership (“**Developer**”), and the County of Santa Cruz, a political subdivision of the State of California (“**County**”).

The Agreement is recorded concurrently with this Notice, in the Official Records of Santa Cruz County.

Legal Description of Property: See Exhibit “A” attached hereto and incorporated herein by this reference.

Property Location: Located in the County of Santa Cruz.

Assessor’s Parcel Numbers of Property: _____.

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

Summary of Agreement:

- The Agreement requires Developer to develop a fifty-seven (57) unit rental Project on the Property, which property was sold to Developer by the Santa Cruz County Redevelopment Successor Agency;
- The Agreement restricts the rental of (i) ten (10) of the dwelling units to households whose incomes do not exceed thirty percent (30%) of the Santa Cruz County area median income, adjusted for household size; (ii) twelve (12) of the dwelling units to households whose incomes do not exceed forty percent (40%) of the Santa Cruz County area median income, adjusted for household size; (iii) sixteen (16) of the dwelling units to households whose incomes do not exceed fifty percent (50%) of the Santa Cruz County area median income, adjusted for household size; (iv) thirteen (13) of the dwelling units in the Project to households whose incomes do not exceed sixty percent (60%) of the Santa Cruz County area median income, adjusted for household size; and (v) five (5) of the dwelling units to households whose incomes do not exceed eighty percent (80%) of the Santa Cruz County area median income, adjusted for household size.
- The Regulatory Agreement restricts the rents that may be charged to such households to the maximum amount of rent, including a reasonable utility allowance, that does not exceed the rent permitted to be charged to the applicable household, as the case may be, determined pursuant to Health and Safety Code Section 50053(b).
- The term of the Agreement is in perpetuity.

This Notice does not contain a full description of the details of all of the terms and conditions of the Agreement. You will need to obtain and read the Agreement to fully understand the restrictions and requirements which apply to the Property.

This Notice is being recorded and filed in compliance with Health and Safety Code Section 33334.3(f)(3) and (4), and shall be indexed against Developer, the fee owner of the Property, and County.

[signature on next page]

“County”

COUNTY OF SANTA CRUZ, a political
subdivision of the State of California

By:

Date: _____, 201_

Kathleen Molloy, Planning Director

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT “A”
LEGAL DESCRIPTION OF PROPERTY

[To be inserted]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

ATTACHMENT NO. 12
RELEASE OF CONSTRUCTION COVENANTS

(See following document)

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Santa Cruz
701 Ocean Street, Room 418
Santa Cruz, CA 95060
Attention: Planning Director

(Space Above for Recorder's Use)
Exempt from Recordation Fee per Gov. Code
§ 27383

RELEASE OF CONSTRUCTION COVENANTS

This RELEASE OF CONSTRUCTION COVENANTS ("Release") is made this ____ day of _____, by the **COUNTY OF SANTA CRUZ**, a political subdivision of the State of California ("County"), in favor of **MP LIVE OAK ASSOCIATES, L.P.**, a California limited partnership ("Developer").

R E C I T A L S

A. Developer owns fee title to that certain real property located in the County of Santa Cruz, State of California, more particularly described in the legal description attached hereto as Exhibit "A" ("Property").

B. On or about January __, 2030, the Santa Cruz County Redevelopment Successor Agency (the "Successor Agency") and Developer entered into that certain Affordable Housing and Property Disposition Agreement ("Agreement") which provides for Developer to develop on the Property a fifty-six (56) unit rental affordable housing development, as more particularly described therein as the "Project." The Successor Agency has assigned to County, and County has assumed from Successor Agency, all of Successor Agency's rights and obligations in and to the Agreement.

C. Pursuant to the Agreement, County is required to furnish Developer with this Release upon request by Developer after completion of construction of the Project.

D. The issuance by County of this Release shall be conclusive evidence that Developer has complied with the terms of the Agreement pertaining to the construction of the Project.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, the parties hereto agree as follows:

1. As provided in the Agreement, County does hereby certify that the construction of the Project has been satisfactorily performed and completed, and that such development and construction work complies with the Agreement.

2. This Release does not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a mortgage or any insurer of a mortgage security money loaned to finance the work of construction of improvements and development of the Property, or any part of thereof.

3. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

4. This Release does not terminate any other agreement or document executed by Developer in connection with the Agreement, including, without limitation, that certain Affordable Housing Regulatory Agreement recorded on _____, as Instrument No. _____, in the Official Records of the County of Santa Cruz (the "Official Records"), and that certain Deed of Trust recorded on _____, as Instrument No. _____, in the Official Records, all of which shall survive recordation of this Release.

IN WITNESS WHEREOF, County has executed this Release as of the date set forth above.

COUNTY OF SANTA CRUZ, a political
subdivision of the State of California

By: _____
Kathleen Molloy, Planning Director

Date: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
 who proved to me on the basis of satisfactory evidence to be the person(s) whose
 name(s) is/are subscribed to the w(pagithin instrument and acknowledged to me that
 he/she/they executed the same in his/her/their authorized capacity(ies), and that by
 his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
 which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
 that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[To be inserted]

Attachment: AHPDA Agreement (MidPen) 17th and Capitola (7974 : Housing Funding for 17th and Capitola)

TABLE OF CONTENTS

	<u>Page</u>
1. DEFINITIONS	3
2. STRUCTURE OF TRANSACTION AND RELATIONSHIP OF PARTIES	12
2.1 Limited Third Party Rights	12
2.2 Early Closing; Partial Termination of Agreement	13
2.3 Execution of Agreements with Clinics at Close of Escrow	16
3. SCHEDULE OF PERFORMANCE	16
4. LAND USE ENTITLEMENTS	17
5. DUE DILIGENCE PERIOD; PERMISSION TO ENTER PROPERTY; AS-IS; PHYSICAL AND ENVIRONMENTAL CONDITION	18
5.1 Due Diligence Period	18
5.2 "AS-IS"	19
5.3 Developer Indemnity	20
5.4 Duty to Prevent Hazardous Material Contamination	20
5.5 Obligation to Remediate Premises	21
5.6 Environmental Inquiries	21
5.7 Materiality	22
5.8 Review of Title of Site	22
6. FINANCING PLAN FOR THE PROJECT	23
6.1 Financing Plan	23
6.2 County Loan	24
6.3 Applications to CDLAC and TCAC	25
6.4 Project Budget	26
6.5 Developer Submittals	26
6.6 Financing Commitments	26
6.7 Developer Fee	26
7. DISPOSITION OF PROPERTY	27
7.1 Agreement	27
7.2 Conditions for Successor Agency's Benefit	27
7.3 Conditions for Developer's Benefit	30
7.4 Developer Right to Terminate	31
7.5	31
7.6 Waiver of Conditions	32
8. PROPERTY CLOSING; ESCROW EXPENSES	32
8.1 Close of Escrow	32
8.2 Expenses of Developer	33
8.3 Instruction to Escrow Holder Regarding Waiver of Transfer Taxes and Recording Fees	33

	<u>Page</u>
8.4 Broker's Commissions	33
9. OTHER ESCROW INSTRUCTIONS	33
9.1 Funds in Escrow	33
9.2 Failure to Close	33
9.3 Amendments	34
9.4 Notices	34
9.5 Liability	34
10. DEVELOPMENT OF THE PROJECT	34
10.1 Scope of Development	34
10.2 Additional Governmental Permits and Approvals	34
10.3 Review and Approval of Plans, Drawings, and Related Documents	35
10.4 Cost of Development	35
10.5 Indemnity	35
10.6 Insurance Requirements	36
10.7 Developer's Continuing Indemnification Obligations.....	39
10.8 Remedies for Defaults Re: Insurance.....	39
10.9 Obligation to Repair and Restore Damage Due to Casualty Covered by Insurance	39
10.10 Rights of Access.....	40
10.11 Compliance with Laws; Compliance with Prevailing Wage Laws	40
10.12 Anti-Discrimination.....	42
10.13 Taxes and Assessments	42
10.14 Right of Successor Agency to Satisfy Other Liens on the Property(s).....	42
10.15 Non-liability of Successor Agency	42
10.16 Release of Construction Covenants	43
11. AFFORDABILITY COVENANTS	44
12. GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS.....	44
12.1 Developer's Formation, Qualification and Compliance	44
12.2 Litigation	44
12.3 Successor Agency.....	44
13. DEFAULTS AND REMEDIES.....	45
13.1 Event of Default.....	45
13.2 No Waiver.....	45
13.3 Rights and Remedies are Cumulative	45
13.4 Attorneys' Fees	45
13.5 Reimbursement of Successor Agency.....	46
14. NOTICES	46

	<u>Page</u>
15. ASSIGNMENT	47
15.1 Generally Prohibited	47
15.2 Release of Developer	48
15.3 Assignment of Agreement by Successor Agency to County.....	48
16. ADMINISTRATION	48
17. MISCELLANEOUS	49
17.1 Counterparts.....	49
17.2 Prior Agreements; Amendments	49
17.3 Governing Law	49
17.4 Acceptance of Service of Process	49
17.5 Severability of Provisions	49
17.6 Interpretation	49
17.7 Accounting Principles	50
17.8 Attachments Incorporated	50
17.9 Time of the Essence.....	50
17.10 Warranty Against Payment of Consideration.....	50
17.11 Non-liability of Successor Agency or County Officials and Employees.....	50
17.12 Force Majeure	50
17.13 Developer Covenant to Defend this Agreement	51
17.14 Nondiscrimination Covenants.....	51
17.15 Consents and Approvals	53
17.16 Third Party Beneficiary	53
17.17 Termination	53

List of Attachments:

- 1 - Legal Description of Capitola Property
- 2 - Proposed Subdivisions
- 3 - Schedule of Performance
- 4 - Scope of Development
- 5 - Form of Grant Deed
- 6 - Form of Assignment of Plans and Contract
- 7 - Form of County Note
- 8 - Form of County Deed of Trust
- 9 - Project Budget
- 10 - Form of County Regulatory Agreement
- 11 - Form of Notice of Affordability
- 12 - Form of Release of Construction Covenants



PROCEEDINGS OF THE COUNTY OF SANTA CRUZ BOARD OF SUPERVISORS

October 22, 2019

ACTION SUMMARY MINUTES

1. CALL TO ORDER – 9:00 AM

Attendee Name	Title	Status
John Leopold	First District Supervisor	Present
Zach Friend	Second District Supervisor	Present
Ryan Coonerty	Chair, Third District Supervisor	Present
Greg Caput	Vice Chair, Fourth District Supervisor	Present
Bruce McPherson	Fifth District Supervisor	Present

All members present

2. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

3. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA; ADDITIONS AND DELETIONS TO CONSENT AND REGULAR AGENDAS

Revision Sheet - Items 11, 12 and 42

4. ANNOUNCEMENT BY BOARD MEMBERS OF ITEMS REMOVED FROM CONSENT TO REGULAR AGENDA

None

5. PUBLIC COMMENT

Sixteen people addressed the Board

6. ACTION ON THE CONSENT AGENDA (ITEMS 14-42)

Additional direction – Items 24, 25,

REGULAR AGENDA

7. Presentation on the 2019 California State Association of Counties' Challenge Awards, as outlined in the memorandum of the County Administrative Officer

Darby Kernan, CSAC, presented the awards

RESULT: PRESENTATION

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)

Minutes - October 22, 2019

8. Consider presentation on proposed revisions to the Affordable Housing Guidelines, as outlined in the memorandum of the Planning Director

ADOPTED the updated Affordable Housing Guidelines as presented in Attachment A

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bruce McPherson, Fifth District Supervisor
SECONDER:	John Leopold, First District Supervisor
AYES:	Leopold, Friend, Coonerty, Caput, McPherson

9. Public hearing to consider Application 171179, a proposal to amend the General Plan land use designation and zoning from Community Commercial/C-2 to Service Commercial/C-4 and to construct an automobile dealership with a service facility, including consideration of adoption of a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations, and certification of a Final Environmental Impact Report, as outlined in the memorandum of the Planning Director

Public hearing held; closed the public hearing;

1) Certified the Final Environmental Impact Report (EIR) as being in accordance with the requirements of the California Environmental Quality Act, adopted a Mitigation Monitoring and Reporting Program (MMRP), and adopted CEQA Findings and a Statement of Overriding Considerations in conjunction with approval of the project requests;

2) ADOPTED **Resolution No. 229-2019** amending the General Plan land use designation on APNs 030-121-06, 030-121-07, 030-121-08, 030-121-12, 030-121-13, 030-121-27, 030-121-53 and 030-121-57 from Community Commercial to Service Commercial;

3) ADOPTED **Ordinance No. 5311** rezoning APNs 030-121-06, 030-121-07, 030-121-08, 030-121-12, 030-121-13, 030-121-27, 030-121-53 and 030-121-57 from Community Commercial (C-2) to Service Commercial (C-4); and

4) APPROVED Commercial Development Permit Application 171179 and associated Sign Exception and Roadway and Roadside Exception, with the following additional direction:

Include as a condition of approval, Mr. Groppetti's contribution toward the cost of the [traffic] light in the amount of \$200,000 over a 5-year period [packet page 156, Resolution 229-2019 Exhibit IV]

RESULT:	ADOPTED AS AMENDED [4 TO 1]
MOVER:	Bruce McPherson, Fifth District Supervisor
SECONDER:	Ryan Coonerty, Chair, Third District Supervisor
AYES:	Leopold, Coonerty, Caput, McPherson
NAYS:	Friend

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)

10. Consider ordinance adding Chapter 2.125 to the Santa Cruz County Code to create a Syringe Services Program Advisory Commission, and schedule the ordinance for second reading and final adoption [amended: return for first reading] on November 5, 2019, as outlined in the memorandum of the Director of Health Services

1) APPROVED with amendment proposed ordinance establishing Chapter 2.125 of the Santa Cruz County Code to create a Syringe Services Program Advisory Commission, including the following change:

Directed staff to amend the language in 2.125.020 (B) to simply read, "The remaining two members shall be appointed at large"; and

2) The ordinance, as amended, to return November 5, 2019 for first reading

RESULT:	APPROVED AS AMENDED [UNANIMOUS]
MOVER:	Bruce McPherson, Fifth District Supervisor
SECONDER:	Ryan Coonerty, Chair, Third District Supervisor
AYES:	Leopold, Friend, Coonerty, Caput, McPherson

ZONE 5 Board of Directors Meeting

11. The Board of Supervisors shall recess in order to permit the Board of Directors of the County of Santa Cruz Flood Control and Water Conservation District - Zone 5 to convene and carry out a Special Meeting

See agendas and minutes for separate meeting group:

Flood Control and Water Conservation District - Zone 5 Board of Directors

Web link - https://santacruzcountycalifornia.com/Citizens/Detail_Meeting.aspx?ID=1782

RESULT:	THE BOARD RECESSED
----------------	---------------------------

1:00 PM SCHEDULED ITEM

12. Consider engineer's report for increased assessment rates for County Service Area (CSA) No. 48, consider Resolution of Intention to Levy Assessment within CSA 48, schedule a public hearing for January 14, 2020, at 9:00 a.m. or thereafter, and take related actions, as outlined in the memorandum of the Director of General Services

1) APPROVED Engineer's Report for County Service Area 48, County Fire (CSA 48);

2) ADOPTED **Resolution No. 230-2019** of Intention to Levy Assessments in CSA 48;

3) SCHEDULED January 14, 2020 at 9:00 a.m., or thereafter, as the date and time for a public hearing on the proposed assessment;

4) DIRECTED Clerk of the Board to publish a summary notice of the public hearing once a week for two weeks prior to the hearing in a newspaper of general circulation;

Minutes - October 22, 2019

- 5) APPROVED the sample ballot and notification for the proposed 2020-21 assessment for CSA 48; and
- 6) DIRECTED County Fire to mail ballots at least 45 days prior to the public hearing to the record owners of properties subject to the proposed increased assessment.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Bruce McPherson, Fifth District Supervisor
SECONDER:	John Leopold, First District Supervisor
AYES:	Leopold, Friend, Coonerty, Caput, McPherson

CLOSED SESSION AGENDA

13. SCHEDULE A CLOSED PERSONNEL AND LITIGATION SESSION TO BE HELD AT THE CONCLUSION OF THE BOARD'S CONSENT OR REGULAR AGENDA, OR AT ANY OTHER TIME DURING THE COURSE OF THE MEETING ANNOUNCED BY THE CHAIRPERSON OF THE BOARD
- A. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION
Significant exposure to litigation to be considered pursuant to subdivision (d)(2) of Government Code Section 54956.9 for one (1) potential case
- B. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION
(Government Code section 54956.9(d)(1))
In re: National Prescription Opiate Litigation, United States District Court, Northern District of Ohio, Eastern Division, MDL No. 2804; Case No. 17-MD-2804

Report of County Counsel - will be given at the conclusion of the closed session on any reportable action(s) taken in the closed session

Scheduled closed personnel and litigation session held as outlined in the agenda.

RESULT:	CLOSED SESSION HELD
----------------	----------------------------

Report of County Counsel:

The Board held a special meeting on October 10, 2019, and this is the opportunity to report on action. Chair Coonerty announced that the Board unanimously selected Jason Heath as its next County Counsel, upon the impending retirement of Dana McRae

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)

Minutes - October 22, 2019

CONSENT AGENDA

RESULT:	APPROVED AS AMENDED [UNANIMOUS]
MOVER:	John Leopold, First District Supervisor
SECONDER:	Zach Friend, Second District Supervisor
AYES:	Leopold, Friend, Coonerty, Caput, McPherson

14. APPROVAL OF MINUTES
 - a. Board of Supervisors - Regular Meeting - Oct 8, 2019 9:00 AM
 - b. Board of Supervisors - Joint Special Meeting - Oct 10, 2019 8:00 AM
15. Accept claims as approved by the Auditor-Controller-Treasurer-Tax Collector
16. Approve the reading by title of any ordinance considered for adoption that may appear on this agenda, and further waive a detailed reading of said ordinance, as recommended by County Counsel
17. Adopt ordinance repealing Chapters 7.12 and 8.12 of the Santa Cruz County Code and amending Chapters 2.31, 2.33, 3.16, 5.16, 5.35, 7.16, 7.42, 7.54, 7.56, 7.95, 8.55, 8.57, 9.42, 9.43, 9.44, 10.22, and 10.24 of the Santa Cruz County Code to correct typographical errors, address organizational issues, align the code with changes to State law, delete unnecessary material, and make additional miscellaneous changes (approved in concept October 8, 2019)
Ordinance No. 5310
18. Accept and file the Treasurer's Investment Transaction Report for the month of September 2019, as recommended by the Auditor-Controller-Treasurer-Tax Collector
19. Accept and file report on Climate Action Manager position and direct staff to return to the Board with a position description, salary information, funding options and recruitment plan in January 2020, as recommended by the County Administrative Officer
Supervisor Caput voted "no" - this item only
20. Declare specified vehicles as surplus, and direct General Services to arrange for their disposition, as recommended by the Director of General Services
21. Approve appointment of Joanna Whitcup as the Second District appointee to the Mental Health Advisory Board, as a representative of the general public, for a term to expire April 1, 2021, as recommended by Supervisor Friend
22. Approve appointment of Grant Buchwald as the Fourth District appointee to the Fish and Wildlife Advisory Commission for a term to expire April 1, 2023, as recommended by Supervisor Caput

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)

Minutes - October 22, 2019

23. Approve appointment of Jen Michelsen as the Fifth District appointee to the Fish and Wildlife Advisory Commission for a term to expire April 1, 2021, as recommended by Supervisor McPherson
24. Direct the Chair to send a letter to Pacific Gas & Electric and the California Public Utilities Commission acknowledging negative impacts to Santa Cruz County during PG&E's Public Safety Power Shutoff event that began during the week of October 7, 2019, and request the CPUC require PG&E to improve its planning, communications and execution of future power shutoffs, as recommended by Supervisor McPherson

Additional direction: County staff to provide an accounting of the County resources and costs involved in responding to the outage, and any details we have about the impacts on residents and businesses, and to share that information in the letter to the PUC, and to PG&E as well.

25. Approve reappointment of Fire Battalion Chief Rob Young to the Hazardous Materials Advisory Commission, as an at-large representative of the City of Santa Cruz, for a term to expire April 1, 2023, as recommended by Chair Coonerty
26. Accept nomination of Jozett Irgang for appointment to the In-Home Supportive Services Advisory Commission, as an at-large consumer representative, for a term to expire April 1, 2021, with final appointment to be considered on November 5, 2019, as recommended by Supervisor Coonerty
27. Adopt resolution authorizing the District Attorney to submit a grant application in the amount of \$557,336 to the California Governor's Office of Emergency Services for the 2018-19 Victim/Witness Assistance Grant Program, and take related actions, as recommended by the District Attorney

Resolution No. 226-2019

28. Ratify grant submission in the amount of \$540,875 to the California Governor's Office of Emergency Services for 2019-20 Victim/Witness Assistance (VW) Program, adopt resolution authorizing the District Attorney to submit the grant application, authorize the District Attorney and Chair of the Board to sign the Certification of Assurance of Compliance, and take related actions, as recommended by the District Attorney

Resolution No. 227-2019

29. Approve revised master agreement with various vendors for federal reimbursement funding to local community-based organizations, and approve new master agreement with various vendors for federal reimbursement funding to local public entities from the California Department of Healthcare Services for Medi-Cal Administrative Activities, and take related actions, as recommended by the Director of Health Services
30. Accept and file report on Whole Person Care - Cruz to Health pilot program, and direct the Health Services Agency to return no later than June 2020 with the next update, as recommended by the Director of Health Services

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)

Minutes - October 22, 2019

31. Approve recommendations for award of Child Care Developer Fee Loans in the amount of \$170,000, direct the Human Services Department to return December 10, 2019 with the Child Care Developer Fee Loans annual report, and take related actions, as recommended by the Director of Human Services
32. Defer to November 19, 2019, the recommendations for the use of CORE Investments unallocated funds and direct staff to return with a proposal for the administration of the Set Aside fund and a report on the progress of CORE Investments programs as recommended by the Director of Human Services
33. Approve increase to General Assistance grant amounts to align with a statewide increase to the CalWORKs Maximum Aid Payment levels effective October 1, 2019, as recommended by the Director of Human Services
34. Approve independent contractor agreement in the amount not to exceed \$128,540.50 with Public Restroom Company for Seacliff Village Park, as recommended by the Director of Parks, Open Space and Cultural Services
35. Defer to November 19, 2019 report on Accessory Dwelling Unit programs, including the ADU Forgivable Loan Program, the My House My Home Program and the ADU Fee Waiver Program, as recommended by the Planning Director
Additional direction:
Staff to include an analysis of recent state legislation that has changed some of the rules around Accessory Dwelling Units and how that may impact our county
36. Accept and file the updated 2019 Road Maintenance and Rehabilitation Account project list for projects funded by Senate Bill 1, as recommended by the Deputy CAO, Director of Public Works
37. Adopt resolution accepting unanticipated revenue from Lexington Insurance Company in the amount of \$241,962.33; approve fixed asset purchase of three transfer trailers in the total amount of \$274,947.14 for the County's disposal sites; declare four transfer trailers as surplus, and take related actions, as recommended by the Deputy CAO, Director of Public Works
Resolution No. 228-2019
38. Approve contract change order in the amount of \$12,479, accept improvements and approve final cost of \$109,558 for La Madrona Drive Guardrail project; direct Clerk of the Board to file the Notice of Completion, and take related actions, as recommended by the Deputy CAO, Director of Public Works
39. Approve naming opportunities for the Felton Library as outlined in the Philanthropic Naming Opportunities Policy, as recommended by the Deputy CAO, Director of Public Works
40. Defer to November 5, 2019, proposed Litter and Pollution Reduction ordinance, as recommended by the Deputy CAO, Director of Public Works

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)

Minutes - October 22, 2019

41. Defer to on or before December 10, 2019, report on feasibility of designing and constructing a safe crossing of Highway 1 in the community of Davenport, as recommended by the Deputy CAO, Director of Public Works
42. Approve the reallocation of fixed assets in the amount of \$170,000 for internet security equipment within the Information Services Department, as recommended by the Director of Information Services

Approved: _____
Chair, Board of Supervisors

Attest: _____
Clerk of the Board

Date: _____

NOTE: This set of Board of Supervisors Minutes is scheduled for approval by the Board on November 5, 2019

Minutes Acceptance: Minutes of Oct 22, 2019 9:00 AM (Approval of Minutes)



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Auditor-Controller-Treasurer-Tax Collector

(831) 454-2500

Subject: Accept claims as approved by the Auditor-Controller

Meeting Date: November 5, 2019

Accept claims as approved by the Auditor-Controller-Treasurer-Tax Collector

Submitted by:

Edith Driscoll, Auditor-Controller-Treasurer-Tax Collector

Recommended by:

Carlos J. Palacios, County Administrative Officer

**County of Santa Cruz Board of Supervisors****Agenda Item Submittal****From:** County Counsel

(831) 454-2040

Subject: Reading of All Ordinances by Title and Waiving a Detailed Reading**Meeting Date:** November 5, 2019**Recommended Action(s):**

Approve the reading by title of any ordinance considered for adoption that may appear on this agenda, and further waive a detailed reading of said ordinance.

Background:

Your Board directed this Office to examine the procedures employed for the adoption of ordinances to determine whether more efficient methods may be applied. Government Code § 25131 establishes the procedural requirement for the adoption of an ordinance by a board of supervisors. This section authorizes a board, by majority vote, to waive a "detailed reading" of the entire ordinance, and instead allows a board to proceed after the ordinances' title is read. The title of an ordinance describes the subject matter it contains, while a detailed reading requires that each word of the ordinance be read into the record. It is important to note that waiving a detailed reading does not eliminate the other procedural requirements for adoption of an ordinance, including, but not limited to, the requirements for public notice and allowing public testimony.

It is the opinion of this Office that your Board may take action to waive a detailed reading of an ordinance as part of your consent agenda. By taking this action on your consent agenda, a separate motion would not be required at the time that each individual ordinance is considered.

Submitted by:

Dana McRae, County Counsel



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Personnel: Risk Division
(831) 454-2600

Subject: Government Tort Claim, Claim Against the County: No. 920-027

Meeting Date: November 5, 2019

Recommended Action(s):

Reject Claim No. 920-027 and refer to County Counsel.

Executive Summary

Pursuant to 910 et Seq. of the California Government Code, a Government Tort Claim has been filed against the County of Santa Cruz. The original document and associated materials are on file with the Clerk of the Board of Supervisors.

Name of Claim: Safeco Insurance for Laurie Glantz-Murphy
Claim Number: 920-027

In regard to the above-referenced claim, this is to recommend that the Board take the following action:

Reject the claim of Safeco Insurance for Laurie Glantz-Murphy, Claim No. 920-027, and refer to County Counsel.

Submitted by:

Enrique Sahagun, Risk Manager

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Safeco Insurance for Glantz-Murphy, Laurie 920-027

920-027

21.a

CLAIM AGAINST THE COUNTY OF SANTA CRUZ
(Pursuant to Section 910 et Seq., Govt. Code)

Glantz-Murphy

TO: BOARD OF SUPERVISORS
COUNTY OF SANTA CRUZ
ATTN: Clerk of the Board
Governmental Center
701 Ocean Street, Santa Cruz, CA 95060

SEP 24 2019

- Claimant's Name: Laurie Glantz-Murphy
Address: 3119 Freedom Blvd.
Watsonville, CA 95076-0408
Phone No: 831-236-1753 Safeco Insurance Ph# 636-651-0685 (Lisa Knight) Cl# 039956987
P.O. Box to which notices are to be sent: PO Box 515097, Los Angeles, CA 90051
- Occurrence: A large tree on Santa Cruz Park Land fell and damaged our insured's home.
Date: 5/19/19 Place: 3119 Freedom Blvd., Watsonville, CA 95076-0408
- Circumstances of occurrence or transaction giving rise to claim:
It is the responsibility of the county to maintain trees and brush on their land. A tree fell over and damaged Mr. Murphy's property. We are her insurance carrier.
- General description of indebtedness, obligation, injury, damage or loss incurred so far as is now known:
We have paid a total of \$106,468.45 to date but still have an open reserve of \$255,486.81 that we intend to pay. Our insured paid her \$1000 deductible.
- Name(s) of public employee(s) causing injury, damage or loss, if known:
N/A
- Amount claimed now \$ 107,468.45
Estimated amount of future loss, if known \$ 255,486.81
TOTAL \$ 362,955.26
- Basis for above computations:
Estimates that can be provided to prove damages.
- If the amount claimed is over \$10,000, indicate the court of jurisdiction:
☐ Municipal Court ☒ Superior Court of California County Superior Court

CLAIMANT'S SIGNATURE:

Laurie Glantz-Murphy / Safeco Insurance 9/18/19

Note: Claim must be presented to Clerk, Board of Supervisors, within six (6) months after the act which occasioned the injury.

Note: This claim and all attachments become Public Record and are scanned into the World Wide Web (Internet).

Americans with Disabilities Act questions or requests for accommodations may be directed to the ADA Coordinator at 454-2962 (TDD 454-2123).

RECEIVED
SEP 24 2019
PERSONNEL DEPT 2
RR5003

Attachment: Safeco Insurance for Glantz-Murphy, Laurie 920-027 (8012 : Government Tort Claim, Claim Against the County: No. 920-027)

(2) 9-24-19



A Liberty Mutual Company

Safeco Insurance Company of America

1400 S. Highway Drive, Ste. 100
Fenton, MO 63026

Mailing Address
PO Box 515097
Los Angeles, CA 90051-5097

Phone: (800) 332-3226
(636) 651-0685
Fax: (888) 268-8840

21.a

September 12, 2019

2nd Request

Santa Cruz Public Works
701 Ocean Street
Room 410
Santa Cruz, CA 95060

Insured Name: Laurie Glantz-Murphy
Loss Date: May 19, 2019
Claim Number: 039956987

To Whom It May Concern:

Our insured has made a claim for damages to her property located at 3119 Freedom Blvd. in Watsonville, California. Our investigation to date indicates a large redwood tree on Santa Cruz County Park Island property fell and damaged our insured's home.

This letter is to place you on notice of our claim. We anticipate our insured's loss to exceed \$300,000.

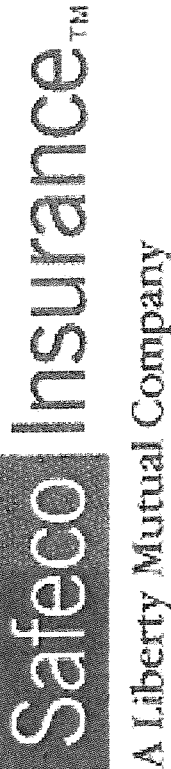
Please contact me at one of the numbers below so that we may discuss this loss with you.

Sincerely,

Lisa Knight, AIC, SCLA
Safeco Insurance Company of America
(800) 332-3226
(636) 651-0685 Fax: (888) 268-8840
lisa.knight@safeco.com

Attachment: Safeco Insurance for Glantz-Murphy, Laurie 920-027 (8012 : Government Tort Claim, Claim Against the County: No. 920-027)

Claimant LAURIE GLANTZ-MURPHY
 Insured LAURIE GLANTZ-MURPHY
 Claim 039956987
 Date of Loss Sun May 19 00:00:00 EDT 2019



Reserve (1) 1st Party Dwelling - LAURIE GLANTZ-MURPHY - Building and Dwelling - Non-Medical Loss

Payee	Check #	Issued Date	Billed Amount	Adjustment Amount	Adjustment Code	Deductible	Withholding Amount	Amount Paid	EOP Note	Check Status
REGASGRC	47264580	07/24/2019	\$450.00	-	-	-	-	\$450.00	1	Cleared
LAURIE GLANTZ-MURPHY	47262665	07/24/2019	\$584.12	-	-	-	-	\$584.12	2	Cleared
ALLIANCE ENVIRONMI GROUP	46976579	06/24/2019	\$7,508.26	-	-	-	-	\$7,508.26	3	Cleared
REGASGRC	46971166	06/24/2019	\$550.00	-	-	-	-	\$550.00	4	Cleared
LAURIE GLANTZ-MURPHY	46790033	06/05/2019	\$81,081.72	(\$3,185.65)	A	(\$1,000.00)	-	\$74,134.08	5	Cleared
Total						(\$1,000.00)		\$83,226.46		

EOP Note

1 Asbestos post testing invoice

User: LISA KNIGHT

Page 1

09/18/2019 3:23 PM

Attachment: Safeco Insurance for Glantz-Murphy, Laurie 920-027 (8012 : Government Tort Claim, Claim Against the County: No. 920-027)

2 Reimbursement for permit fees
 3 Asbestos Abatement
 4 Asbestos and Lead testing
 5 Thank you for insuring with Safeco, This payment reflects the estimated cost of repairs after consideration of recoverable depreciation and your policy deductible.

Adjustment Code

A 16-Adjusted for depreciation

Reserve
 (2) 1st Party Living Expenses - LAURIE GLANTZ-MURPHY - Additional Living Expenses and Loss of Rent/Fair Rental Value - Non-Medical Loss

Payee	Check #	Issued Date	Billed Amount	Adjustment Amount	Adjustment Code	Deductible	Withholding Amount	Amount Paid	EOP Note	Check Status
LAURIE GLANTZ-MURPHY	47814400	09/17/2019	\$3,200.00	-	-	-	-	\$3,200.00	1	Issued
LAURIE GLANTZ-MURPHY	47770028	09/12/2019	\$3,200.00	-	-	-	-	\$3,200.00	2	Issued
LAURIE GLANTZ-MURPHY	47262666	07/24/2019	\$6,400.00	-	-	-	-	\$6,400.00	3	Cleared
LAURIE GLANTZ-MURPHY	46776182	06/04/2019	\$7,680.00	-	-	-	-	\$7,680.00	4	Cleared

User: LISA KNIGHT

Page 2

09/18/2019 3:23 PM

Payee	Check #	Issued Date	Billed Amount	Adjustment Amount	Adjustment Code	Deductible	Withholding Amount	Amount Paid	EOP Note	Check Status
Total						-		\$20,480.00		

EOP Note

1 Correction to 09/12 payment which should have been for \$6,400 to cover both October and November Rent. Rent is \$3,200 each month.
 2 Lost Rent: October and November
 3 August and September lost rent
 4 Lost Rent - Prorated May, June and July, Thank you for insuring with Safeco

Reserve

(3) 1st Party Other Structure - LAURIE GLANTZ-MURPHY - Appurtenant Structures - Non-Medical Loss

Payee	Check #	Issued Date	Billed Amount	Adjustment Amount	Adjustment Code	Deductible	Withholding Amount	Amount Paid	EOP Note	Check Status
LAURIE GLANTZ-MURPHY	46790033	06/05/2019	\$81,081.72	-	A	-	-	\$2,761.99	1	Cleared
Total						-		\$2,761.99		

EOP Note

User: LISA KNIGHT

Page 3

09/18/2019 3:23 PM

Attachment: Safeco Insurance for Glantz-Murphy, Laurie 920-027 (8012 : Government Tort Claim, Claim Against the County: No. 920-027)

1 Thank you for insuring with Safeco, This payment reflects the estimated cost of repairs after consideration of recoverable depreciation and your policy deductible.	
Adjustment Code	
A 16-Adjusted for depreciation	
Grand Total	(\$1,000.00) \$106,468.45



Exterior/Front Elevation - 45-
FRONT ELEVATION

Date Taken: 5/21/2019

Taken By: Hugo Gomez

Front elevation overview damages to front porch

I can provide
many color reel photos
if requested.

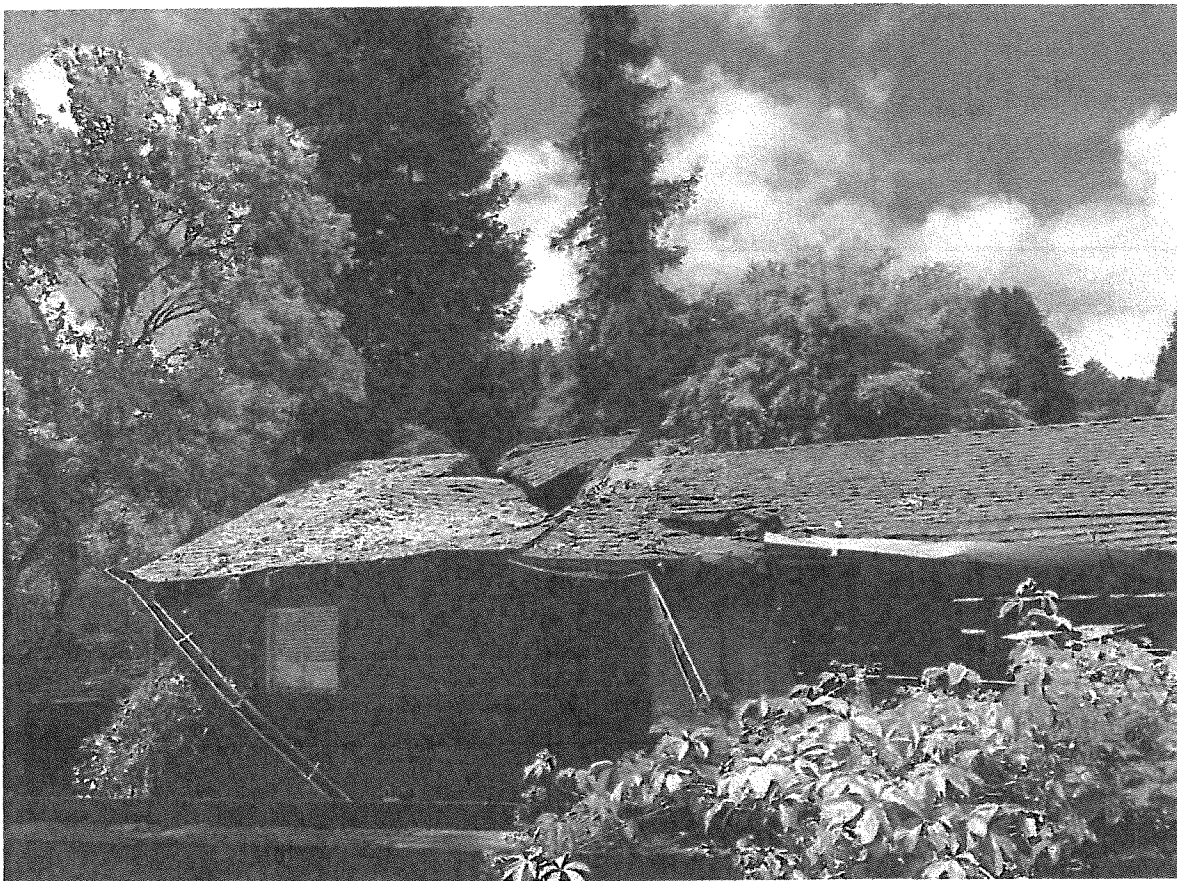


**Exterior/Left Elevation - 71-
LEFT ELEVATION**

Date Taken: 5/21/2019

Taken By: Hugo Gomez

Left elevation overview- damages caused by fallen tree

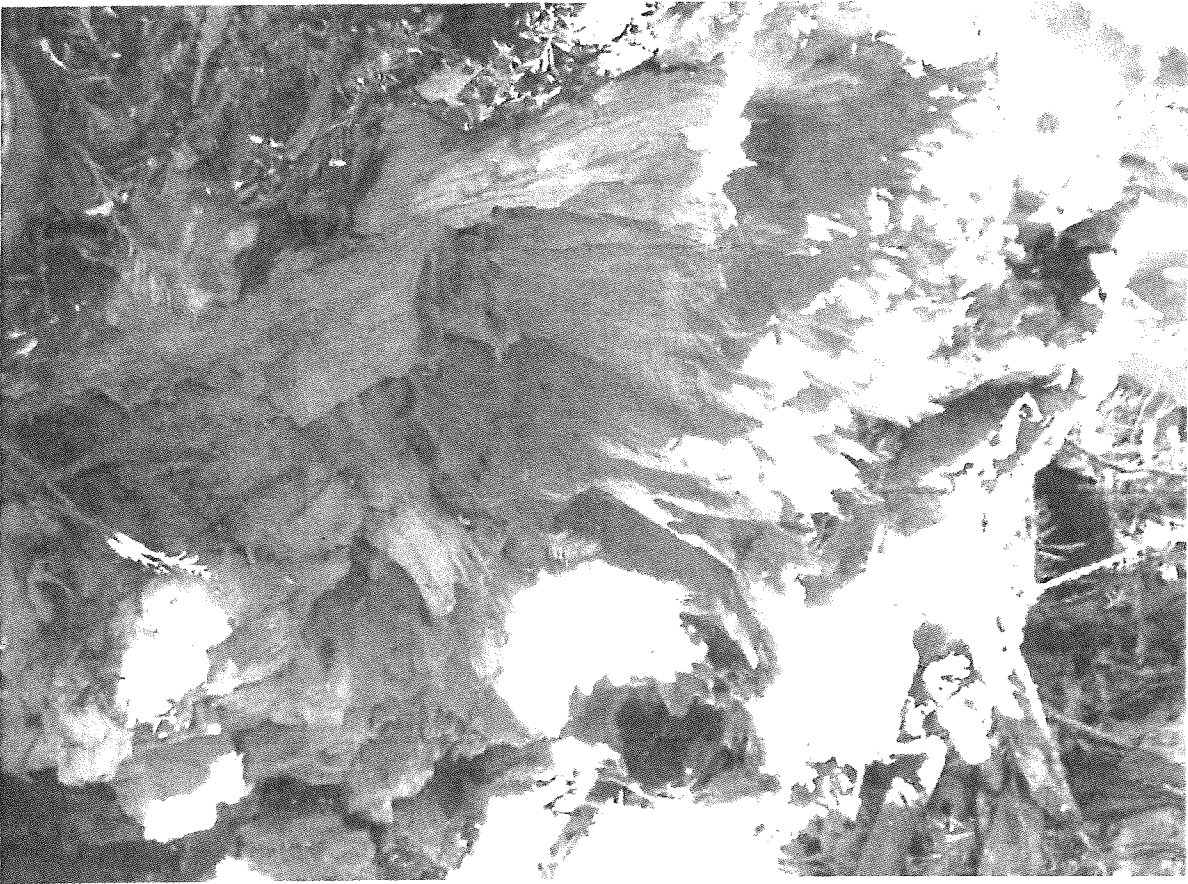


**Exterior/Front Elevation - 37-
FRONT ELEVATION**

overview of damage by fallen tree

Date Taken: 5/21/2019

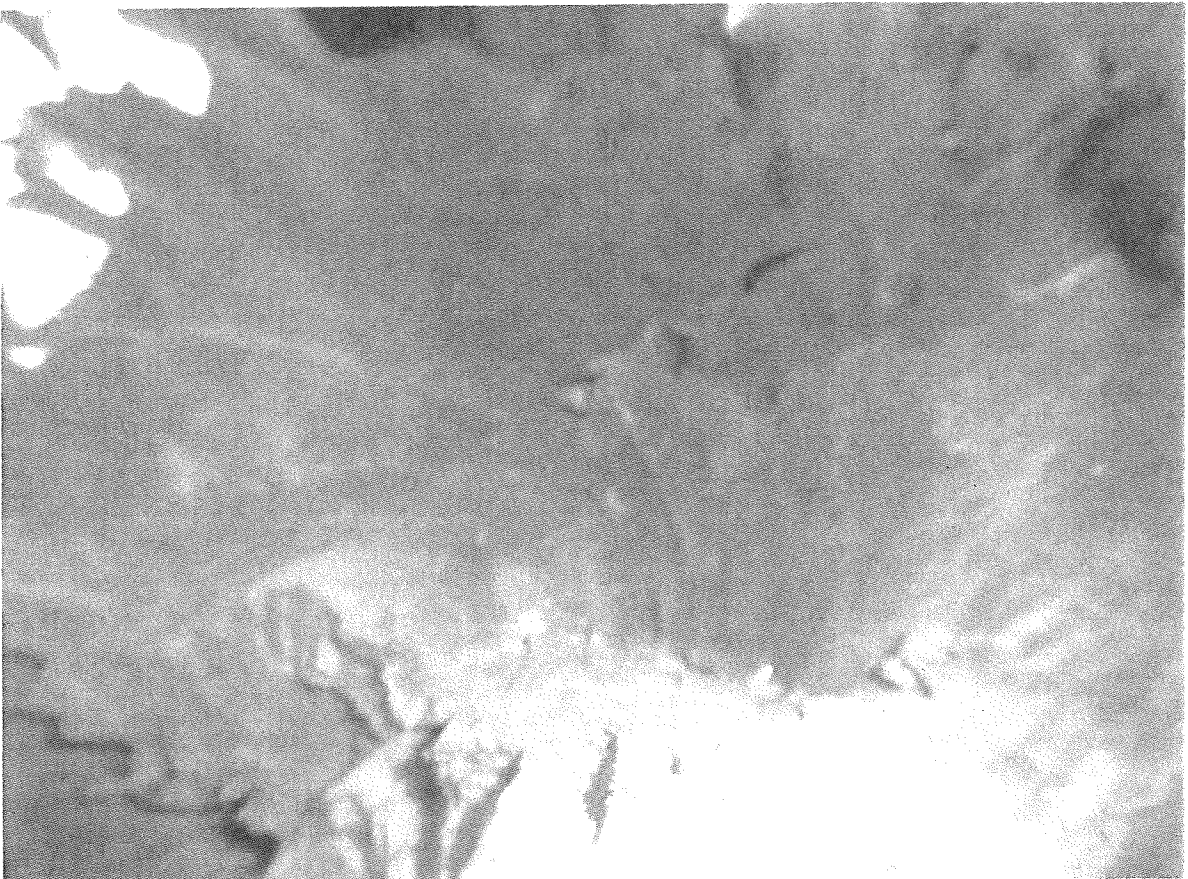
Taken By: Hugo Gomez



Exterior - 248-Base of tree

Date Taken: 5/29/2019

Taken By: Cheryl Bocek



Exterior - 249-Base of tree

Date Taken: 5/29/2019

Taken By: Cheryl Bocek



**SKETCH1/Main Level/Kitchen -
89-KITCHEN**

damages caused by fallen tree

Date Taken: 5/21/2019

Taken By: Hugo Gomez



**Exterior/Left Elevation - 75-
LEFT ELEVATION**

Date Taken: 5/21/2019

Taken By: Hugo Gomez

Left elevation overview- damages caused by fallen tree



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Personnel: Risk Division
(831) 454-2600

Subject: Government Tort Claim, Claim Against the County: No. 920-028

Meeting Date: November 5, 2019

Recommended Action(s):

Reject Claim No. 920-028 and refer to County Counsel.

Executive Summary

Pursuant to 910 et Seq. of the California Government Code, a Government Tort Claim has been filed against the County of Santa Cruz. The original document and associated materials are on file with the Clerk of the Board of Supervisors.

Name of Claim: C.G.
Claim Number: 920-028

In regard to the above-referenced claim, this is to recommend that the Board take the following action:

Reject the claim of C.G., Claim No. 920-028, and refer to County Counsel.

Submitted by:

Enrique Sahagun, Risk Manager

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

a C.G. 920-028 - Redacted

920-028

CLAIM AGAINST THE COUNTY OF SANTA CRUZ
(Pursuant to Section 910 et Seq., Govt. Code)

TO: BOARD OF SUPERVISORS
COUNTY OF SANTA CRUZ
ATTN: Clerk of the Board
Governmental Center
701 Ocean Street, Santa Cruz, CA 95060

Received
CLERK OF THE BOARD

SEP 27 2019

BOARD OF SUPERVISORS
COUNTY OF SANTA CRUZ

1. Claimant's Name: C. [REDACTED] G. [REDACTED]

Address: [REDACTED]

SCOTTS VALLEY, CA 95066

Phone No: [REDACTED]

P.O. Box to which notices are to be sent: _____

2. Occurrence: RAPE / ASSAULT AT E.R. DOMINICAN HOSPITAL

Date: 3-29-19 Place: DOMINICAN HOSPITAL

3. Circumstances of occurrence or transaction giving rise to claim: SEE ATTACHED

4. General description of indebtedness, obligation, injury, damage or loss incurred so far as is now known:

PHYSICAL & EMOTIONAL DISTRESS; NEGLIGENCE;
INTENTIONAL INFLECTION OF EMOTIONAL DISTRESS
MEDICAL BILLS; COUNSELING SERVICES; MEDICATION

5. Name(s) of public employee(s) causing injury, damage or loss, if known: SHERIFF'S DEPUTY
DOLEN; DEPUTY GALINDO (?); TELECARE AND UNKNOWN
SHERIFF'S DEPUTY

6. Amount claimed now \$ ONE MILLION

Estimated amount of future loss, if known \$ ONE MILLION

TOTAL \$ TWO MILLION

7. Basis for above computations: SEVERE PHYSICAL & EMOTIONAL DISTRESS

8. If the amount claimed is over \$10,000, indicate the court of jurisdiction:

_____ Municipal Court _____ ☒ Superior Court

CLAIMANT'S SIGNATURE: C. [REDACTED] G. [REDACTED]

Note: Claim must be presented to Clerk, Board of Supervisors, within six (6) months after the act, which occasioned the injury.

Americans with Disabilities Act questions or requests for accommodations may be directed to the ADA Coordinator at 454-2962 (TDD 454-2123).

SEP 27 2019
PER 5003

RECEIVED
SEP 27 2019
PERSONNEL DET 2

Attachment: C.G. 920-028 - Redacted (8013 : Government Tort Claim, Claim Against the County: No. 920-028)

(2) 9-27-19

E..R Assault Case# 1902754

Summary

On Friday March 29, 2019 C presented herself at Dominican Hospital ER suffering from PTSD and depression. While under hospital care C was sexually assaulted in the Emergency Room restroom by a Dominican Hospital employee. When away from her aggressor she requested a rape kit procedure be performed and she was twice denied that right by three Santa Cruz County deputies and a Telecare Corp employee at the Behavioral Unit. On Friday August 30, 2019 The Dominican Hospital male nursing assistant Peter Dunne was arrested by Santa Cruz County deputies and charged on suspicion of three felony counts: assault with intent to rape, sexual assault with force and oral copulation.



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office

(831) 454-2100

Subject: 2019 Homeless Action Partnership Application for Federal Funding

Meeting Date: November 5, 2019

Recommended Action

Accept and file report on submission of the 2019 Continuum of Care funding application from the Santa Cruz County Homeless Action Partnership to the U.S. Department of Housing and Urban Development.

Executive Summary

On behalf of the Watsonville/Santa Cruz City and County Continuum of Care, known locally as the Homeless Action Partnership, the County Homeless Services Coordination Office is providing this report on the 2019 Continuum of Care funding application to the U.S. Department of Housing and Urban Development, totaling \$3,328,671.

Background

Each year, the Homeless Action Partnership (HAP) is responsible for submitting an application to the U.S. Department of Housing and Urban Development (HUD) for Continuum of Care (CoC) funding administered through the federal McKinney-Vento Homeless Assistance Program. The County of Santa Cruz Homeless Services Coordination Office (HSCO) serves as the HAP's Collaborative Applicant for the CoC funding. The Collaborative Applicant is the eligible applicant designated by the CoC to (1) collect and submit the required CoC Application information for all projects the CoC has selected for funding, and (2) apply for CoC planning funds on behalf of the CoC.

HUD requires local communities to develop a CoC program which delivers a comprehensive and coordinated housing and services delivery system and submit a consolidated application for Homeless Assistance funding with multiple projects tied to a single description of the community's strategy. The HAP contracts for professional services with Tony Gardner Consulting (TGC) to develop a strategy that maximizes local funding to address homelessness and coordinate submittal of the annual CoC funding application. As in previous years, the HAP Governing Board worked closely with TGC to review and rank project proposals and ensure that the HAP's application is as competitive as possible.

Analysis

The HAP Governing Board, which is responsible for reviewing and ranking the local applications, reviewed and ranked a total of 16 projects. The projects, in ranked order, are shown on the attached List of 2019 Continuum of Care Projects. The CoC Planning Grant is not included in the reviewing and ranking process. The total amount of 2019

CoC competitive funding potentially available to Santa Cruz County is \$3,238,671, and includes:

- \$1,825,352 for eight permanent supportive housing projects, including seven renewal projects and one new project, in the amount of \$57,067, by the County Human Services Department.
- \$686,246 for three rapid rehousing projects including two renewal projects and one new project, in the amount of \$79,531, by Walnut Avenue Family and Women's Center for victims of domestic violence,
- \$108,679 for one renewal transitional housing project.
- \$147,683 for one renewal joint transitional housing and rapid rehousing project.
- \$91,699 for one renewal Homeless Management Information System (HMIS) project.
- \$378,787 for two Coordinated Entry projects including one renewal project and one new project, in the amount of \$150,425, by Community Bridges to expand coordinated entry access to seniors and families throughout Santa Cruz County.
- \$90,225 for one CoC planning grant which supports CoC planning activities.

Conclusion

The Continuum of Care is a critical resource of federal funds for providing financial support to families and individuals facing homelessness in our community. On behalf of the HAP, the Homeless Services Coordination Office presents this summary of the projects included on the 2019 CoC funding application totaling \$3,328,671 to Board of Supervisors to ensure broad knowledge of the work and focus of the HAP in addressing homelessness in the community.

Strategic Plan Element(s)

Attainable Housing: Homelessness - Federal funding through the Continuum of Care is a critical resource for reducing the impacts of homelessness.

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a List of 2019 Continuum of Care Projects

**List of 2019 Continuum of Care Projects Santa Cruz County and Cities Geographic Area
Watsonville/Santa Cruz City and County CoC (CA-508)**

Geographic Key: W = City Watsonville, SC = City Santa Cruz, CA = State CA Entitlement Area

Rank	Agency	Project	Type	New/ Renewal	Amount	Geographic Areas
Tier 1						
1	HSA/Homeless Persons' Health	M.A.T.C.H.	Permanent supportive housing	Renewal	\$614,132	W, SC, CA
2	Housing Authority/HSA	Shelter Plus Care Renewal	Permanent supportive housing	Renewal	\$747,994	W, SC, CA
3	County HSD	Brommer St. PSH	Permanent supportive housing	New	\$57,067	CA
4	County Health Services Agency	Permanent Supportive Housing Master Leasing Bonus Project	Permanent supportive housing	Renewal	\$105,236	W, SC, CA
5	Housing Authority	New Roots (YHDP)	Permanent supportive housing	Renewal	\$150,741	W, SC, CA
6	Encompass Community Services	Freedom Cottage Homeless Housing Project	Permanent supportive housing	Renewal	\$15,645	W, CA
7	Encompass Community Services	Housing for Health 3 PSH	Permanent supportive housing	Renewal	\$90,429	W, SC, CA
8	Homeless Services Center	Page Smith TH and RRH	Joint transitional housing and rapid rehousing	Renewal	\$147,683	SC, CA
9	County HSD	Coordinated Entry	Coordinated entry	Renewal	\$228,362	W, SC, CA
10	Families in Transition	Young Adults Achieving Success (Y.A.A.S) – YHDP 2.0	Rapid rehousing	Renewal	\$195,911	W, SC, CA
11	Families in Transition	First Step Scattered Site Rapid Re-Housing	Rapid rehousing	Renewal	\$410,804	W, SC, CA
12	CTA	HMIS	HMIS	Renewal	\$91,699	W, SC, CA
13a	WAFWC	Rapid Rehousing Program for Survivors of DV	Rapid rehousing	New (DV Bonus)	\$3,021	W, SC, CA
Total Tier 1:					\$2,858,724	
Tier 2						
13b	WAFWC	Rapid Rehousing Program for DV	Rapid rehousing	New (DV Bonus)	\$76,510	W, SC, CA
14	Bill Wilson Center	Santa Cruz County Shared Housing	Transitional housing (Host homes)	Renewal	\$108,679	W, SC, CA
15	Encompass Community Services	Housing for Health 2 PSH	Permanent supportive housing:	Renewal	\$44,108	W, SC, CA
16	Community Bridges	Santa Cruz County Homeless Elders Access	Coordinated entry	New (CoC Bonus)	\$150,425	W, SC, CA
Total Tier 2:					\$379,722	
CoC Planning Grant						
N/A	County of Santa Cruz	CoC Planning Grant	CoC planning	New	\$90,225	W, SC, CA
TOTAL ALL PROJECTS:					\$3,328,671	

Attachment: List of 2019 Continuum of Care Projects (8006 : 2019 Homeless Action Partnership Application for Federal Funding)



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office
(831) 454-2100

Subject: Approve Agreement with Salvation Army for FY 2019-20 North County Emergency Shelter

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Adopt resolution accepting and appropriating \$1,664,514 in unanticipated revenue from the State of California Homeless Emergency Aid Program (HEAP) and California Emergency Solutions and Housing (CESH) programs as detailed in the attached AUD-60 Resolution;
- 2) Approve contract in the amount of \$1,962,245 with the Salvation Army, a California Corporation, awarded funding by the Watsonville/Santa Cruz City & County Continuum of Care (CoC), for operations of the North County emergency shelter at Laurel Street and 1220 River Street;
- 3) Authorize payment in the amount of \$15,821 to the City of Santa Cruz for operational costs associated with 1220 River Street program;
- 4) Authorize the County Administrative Officer or designee to execute the contract on behalf of the County; and
- 5) Accept and file update on shelter system improvements and progress on Fiscal Year (FY) 2019-21 Operational Plan objectives.

Executive Summary

On behalf of the Watsonville/Santa Cruz City and County CoC, known locally as the Homeless Action Partnership (HAP), the County Homeless Services Coordination Office (HSCO) recommends approval of expanded year-round emergency shelter services provided by The Salvation Army (TSA), a California Corporation. In support of this goal, the HSCO requests the Board accept and appropriate State Homeless Emergency Aid Program (HEAP) and California Emergency Solutions and Housing (CESH) funds in accordance with the attached AUD-60 Resolution. Along with HEAP and CESH funds, the contract will include contributions from the HAP. The HSCO recommends approval of the attached FY 19-20 contract with TSA in the total amount of \$1,962,245 for year-round North County shelter services. The contract increases the FY 2019-20 total shelter nights at the Laurel Street Shelter from 137 to 365 nights (a gain of 228 nights) a year and increases shelter nights at the River Street Shelter from 75 to 274 nights (a gain of 199 nights). In further support of this expansion of shelter services, staff requests authorization to allocate funds to the City of Santa Cruz for County share of costs associated with infrastructure support at 1220 River Street. Additionally, HSCO submits for approval an update on shelter system improvements and progress towards achieving FY 2019-21 Operational Plan objectives related to Attainable Housing goals and strategies.

Background

Emergency shelter services are part of programmatic efforts to address the homelessness crisis in Santa Cruz County through deployment of the State of California's HEAP and CESH emergency block grants, allocated to the Watsonville/Santa Cruz City & County CoC and awarded by the HAP.

The FY 18-19 contract with TSA, totaling \$1,094,750, provided for emergency sheltering at the Veterans of Foreign Wars (VFW) Hall from November 15, 2018 through June 30, 2019; at Laurel Street from February 13, 2019 through June 30, 2019; and at 1220 River Street from April 17, 2019 through June 30, 2019. The attached FY 2019-20 TSA contract represents the results of combined efforts on the part of TSA, the City of Santa Cruz, the HAP and the HSCO to ensure the staffing and operational capacity are in place to support expansion to year-round emergency shelter services at Laurel Street, and 9 months at River Street.

Analysis

Expansion to Year-Round Emergency Shelter Services

The HAP Governing Board and Executive Committee have jointly approved funding to the Salvation Army (TSA) for the FY 2019-20 operation of North County emergency shelter services at two programs:

1. 1721 Laurel Street facility - operations from 7/1/19-6/30/20 will provide for 55 beds. Shelter nights will increase from 137 in FY 2018-19 to 365 nights in FY 2019-20 (see Table 4 for additional detail). Eligible shelter guests include single adults and families with children. Single women, families with children, and adults with mobility challenges will be prioritized. This is a nighttime shelter program only, with no day services.
2. 1220 River Street facility (owned by the City of Santa Cruz) - continuation of operations from 7/1/19-3/31/20 will provide for 60 tent sites. Shelter nights will increase from 75 in FY 2018-19 to 274 in FY 2019-20 (see Table 4 for additional detail). Eligible shelter guests include adult men, women and couples. This is a low barrier shelter site and is open 24 hours each day, 7 days a week.

Operations of these two programs represent a deliberate pivot towards year-round services and currently there is sufficient funding available for a full fiscal year of operations at Laurel Street, and for nine months of operations at River Street. The availability of the 1220 River Street site beyond 3/31/20 is as yet unknown by the City of Santa Cruz, as there is a major water project pending at the site. Should additional funding become available, and if the City confirms availability of the site 4/1/20-6/30/20, staff may return with a contract amendment to extend operations at 1220 River Street through the end of the fiscal year.

The HAP Governing Board and Executive Committee, in electing to fund these two programs, prioritized stabilizing existing shelter programs, providing shelter year-round, and offering flexibility in programmatic options. The 1220 River Street program, with 60 tent sites serving approximately 80 people, and with 24-hour operations, has been operated by TSA since April 2019 and is consistently full. There is not sufficient funding to operate a seasonal winter shelter program in addition to the Laurel Street and 1220 River Street sites, therefore there are currently no plans to utilize the Veterans of

Foreign Wars (VFW) facility on 7th Avenue this winter.

Costs and Sources of Funding

The total cost of operating North County Emergency Shelter services at the Laurel Street and River Street programs includes staffing and supplies for both programs and transportation for the Laurel Street program. Staffing costs for TSA have increased substantially due both to operating a year-long program and shifting from temporary staff who do not receive health benefits, to permanent staff that does. For 1220 River Street, the City of Santa Cruz provides tents, tent platforms, sleeping bags and pads, Conex storage containers, portable toilets and hand-washing stations, electricity and refuse service, and transportation including vehicle(s), fuel and staff to operate the shuttle. A summary of total costs and revenue are represented in the tables below.

Table 1. Summary of North County Emergency Shelter Costs & Revenue

	The Salvation Army	City of Santa Cruz	Total Costs
Laurel Street 12 Months	\$ 1,260,080	\$ -	\$ 1,260,080
1220 River Street 9 Months	\$ 702,165	\$ 187,269	\$ 889,434
Total Costs	\$ 1,962,245	\$ 187,269	\$ 2,149,514
State HEAP and CESH Funding Applied	\$ 1,664,514	\$ -	\$ 1,664,514
HAP Jurisdictional Funding Applied	\$ 297,731	\$ 187,269	\$ 485,000
Total Funding:	\$ 1,962,245	\$ 187,269	\$ 2,149,514

Table 2. FY 2019-20 HAP Contribution by Jurisdiction

Homeless Action Partnership FY 2019-20 Approved Budget for North County Emergency Shelter					
County	City of SC	Scotts Valley	Capitola	Total	
\$ 246,282	\$ 171,448	\$ 35,745	\$ 31,525	\$	485,000

Table 3. Funding Allocations Applied to TSA Contract and City of Santa Cruz Costs

Salvation Army Contract Costs	\$ 1,962,245
HEAP and CESH funds applied:	\$ 1,664,514
County HAP Jurisdictional Contribution	\$ 230,461
Scotts Valley HAP Jurisdictional Contribution	\$ 35,745
Capitola HAP Jurisdictional Contribution	\$ 31,525
Total funding for TSA:	\$ 1,962,245
City of Santa Cruz Infrastructure Costs	\$ 187,269
City of Santa Cruz HAP Jurisdictional Contribution:	\$ 171,448
County HAP Jurisdictional Contribution	\$ 15,821
Total funding for City of Santa Cruz	\$ 187,269

Staff requests Board authorization for the HSCO to pay City of Santa Cruz \$15,821 for County share of costs for 1220 River Street. The HSCO will invoice Cities of Scotts Valley and Capitola for their share of TSA contract costs.

Update on Implementation of Additional HEAP/CESH Funded Emergency Sheltering Programs

TSA - South County Navigation Center

In June 2019, the Board approved a contract with TSA to operate the South County Navigation Center in Watsonville, in addition to the Laurel Street and 1220 River Street shelters. The South County program operates 24/7 and is funded for two full years through June 30, 2021. The day services program, providing showers, toilets, washers and dryers, computers, lockers, and access to an array of supportive services, serves roughly 50 people per day. The overnight emergency shelter serves 38 people, including families with children.

Association of Faith Communities - Safe Spaces Parking and Faith Community Shelter

The Association of Faith Communities is operating two programs: Safe Spaces Parking and Faith Community Shelter. The Safe Spaces Parking program currently provides safe parking for 25 cars per night, serving approximately 75 people. They are currently seeking an additional site to expand to full capacity serving 30 cars per night. The Faith Community Shelter program provides 40 shelter beds per night. Both programs are funded for two full years, through June 30, 2021.

Housing Matters - Paul Lee Loft Hygiene Trailers - Housing Matters (formerly Homeless Services Center) operates the Paul Lee Loft, serving 40 people, and is funded for one year, through June 30, 2020. The hygiene bay which shares the same building as the Paul Lee Loft shelter program has been non-operational for several months and there are portable hygiene trailers on site. The HAP has approved HEAP/CESH funding to support the continued operations of the hygiene trailers and staff anticipates bringing further information about this to your Board in the near future.

Meeting Operational Plan Objectives

This contract represents progress on three Homeless Services Coordination Office Operational Plan Objectives:

#82 Emergency Shelter

By June 2021, Homeless Services Coordination will work with Homeless Action Partnership to increase total emergency shelter and/or emergency bridge housing bed capacity by 20% each year over the 2019 baseline.

Progress Update: North County Emergency Shelter program increased by 11,015 bed nights, a 36% increase.

Table 4. North County Emergency Shelter Capacity FY 2018-19 and FY 2019-20

	FY 2018-19			FY 2019-20		
	# Nights	# Persons	Total Bed Nights	# Nights	# Persons	Total Bed Nights
Laurel Street	137	55	7,535	365	55	20,075
1220 River Street	137	80	10,960	274	80	21,920
VFW	227	55	12,485	0	0	-
			30,980			41,995
			Increase in Bed Nights:			11,015
			% Increase in Bed Nights:			36%

Collectively, HEAP/CESH funding provides FY 2019-20 funding for six emergency sheltering programs. Day services are an area that is in need of further expansion as they are only provided in North County on a limited basis at one site.

Table 5. FY 2019-20 HEAP/CESH-Funded Emergency Shelter Bed/Tent/Parking Site Counts

Program	Provides	People Sheltered
The Salvation Army - River Street	60 Tent Sites	80
The Salvation Army - Laurel Street	55 Beds	55
The Salvation Army - South County	38 Beds	38
Housing Matters - Paul Lee Loft	40 Beds	40
Association of Faith Communities - Safe Spaces Parking	25 Parking Spaces	75
Association of Faith Communities - Faith Community Shelter	40 Beds	40
Total Number of People Sheltered		328

#83 - Homeless Navigation

By June 2021, Homeless Services Coordination will work with the Homeless Action Partnership to plan and open year-round homeless services centers in North and South County.

Progress update: During 2019 Budget Hearings, HSCO staff articulated a “Navigation Center Maturity Model” with FY 2019-20 goals including:

- Year-Round Emergency Shelter - *complete*
- New Housing Resolution Resources - *in progress*
- New Mobile Hygiene Services - *in progress*

Approval of this contract ensures year-round emergency sheltering at the Laurel Street Shelter. Other year-round emergency shelter programs funded through HEAP/CESH for FY 2019-20 include Housing Matters’ Paul Lee Loft, TSA’s South County Navigation Center, AFC Safe Spaces Parking Program, and AFC Faith Community Shelter.

Staff in the HSCO are currently engaged in planning work with the Health Services Agency (HSA) and Human Services Department (HSD) to provide health and social services on a regular schedule at all possible emergency shelter programs. It’s anticipated that these services will be in place by the end of November.

Additionally, as part of the Focus Strategies technical assistance engagement, HSCO staff will be working through the end of the calendar year to plan for implementation of housing-focused services to be provided at all emergency shelters. It is anticipated that by providing health, social and housing-focused services to all shelter clients, their overall health and well-being will be improved, their income from all available sources

will be increased, and as many clients as possible will be assisted to exit homelessness into a permanent housing situation.

These strategies will help to reduce the number of persons experiencing homelessness and also increase the efficient use of existing sheltering programs. HSD staff are simultaneously working with Focus Strategies to develop a robust diversion program, which will reduce the number of people seeking homeless services such as emergency shelter by helping them to resolve their homelessness in other ways.

HSCO staff are also engaged in planning work with provider agencies to deploy mobile hygiene services as robustly and broadly as possible, including addressing any gaps in hygiene services at existing emergency sheltering programs.

#85 - Crisis Response

By June 2021, Homeless Services Coordination with the Homeless Action Partnership (HAP) will implement and report annually on State emergency homeless funding to realize investments in homeless crisis response.

Progress Update: Implementation of an additional \$1.6 million in State HEAP and CESH funding, thereby ensuring key investments in the homeless crisis response system are realized.

Conclusion

Operations of the North County emergency sheltering program have changed this year due to the additional HEAP and CESH funding that makes it possible to operate year-round emergency shelter at Laurel Street. Additionally, a tent-based program at 1220 River Street is proving highly successful, is operating at full capacity, and due to 24-hour operations providing a place for program clients to be during the day. Combined, the two programs provide shelter for up to 135 people.

Financial Impact

Total contract costs \$1,962,245, of which \$1,309,177 is State HEAP funding, \$355,337 is State CESH funding, and \$297,731 is Homeless Action Partnership jurisdictional funding which is already included within the FY 2019-20 HSCO budget. \$15,821 payable to the City of Santa Cruz is also HAP funding included within the HSCO budget.

Strategic Plan Element(s)

Approval of the attached contract awarded funding by the CoC meets the County's goals in the following areas:

Attainable Housing: Homelessness - expand services to reduce homelessness and increase housing stability.

Comprehensive Health & Safety: Health Equity - promoting a safe and healthy community that nurtures body and mind across all ages and social conditions.

Comprehensive Health & Safety - Community Support - Provide access to food and basic support through integrated health care and social services.

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution AUD60 19C4204
- b PLACEHOLDER - TSA 20C4204 ICA and Exhibits
- c ADM29 Contract No. 20C4204

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

Resolution No. _____

On the motion of Supervisor _____

Duly seconded by Supervisor _____

The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds in the amount of **\$1,309,177** from Trust Fund 76650, established on behalf of the Watsonville/Santa Cruz City & County Continuum of Care (COC) for the Homeless Emergency Aid Program funding (HEAP); and **\$355,337** from Trust Fund 76651, established on behalf of the Watsonville/Santa Cruz City & County Continuum of Care (CoC) for the California Emergency Solutions and Housing Program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of **\$1,664,514** for use by the County's office of Homeless Services Coordination for a staff position and professional services and contracts to support implementation of the HEAP program.

<u>GL Key</u>	<u>Revenue Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
185000	42367			Contr from Other Funds	\$1,664,514

and that such funds be and are hereby appointed as follows:

<u>GL Key</u>	<u>Expenditure Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
185000	62381	018HEAP	62381	Prof & Special	\$1,309,177
185000	62381	018CESH	62381	Prof & Special	\$355,337

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 20__ by the following vote (requires four-fifths vote for approval):

AYES: SUPERVISORS _____
 NOES: SUPERVISORS _____
 ABSENT: SUPERVISORS _____

 Chair of the Board

ATTEST:

 Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been)(will be)received within the current fiscal year.

By: 
 Department Head

Date: 10-24-19

COUNTY ADMINISTRATIVE OFFICER

/ X /

Recommended to Board

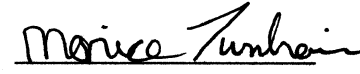
/ /

Not recommended to Board

APPROVED AS TO FORM:


 County Counsel

APPROVED AS TO ACCOUNTING DETAIL:


 Auditor-Controller-Treasurer-Tax Collector
 185000(42367/62381)

Distribution:

Auditor-Controller-Treasurer-Tax Collector
 County Counsel
 County Administrative Officer

Contract No. 20C4204

INDEPENDENT CONTRACTOR AGREEMENT
(NON-PROFIT)

This Contract, which is effective on the date it is fully executed, is between the COUNTY OF SANTA CRUZ, hereinafter called COUNTY, and The Salvation Army a California Corporation hereinafter called CONTRACTOR. The parties agree as follows:

1. **DUTIES.** CONTRACTOR agrees to exercise special skill to accomplish the following results: **North County Emergency Shelter Program for the County of Santa Cruz Homeless Services Coordination Office**, (hereinafter "the project"), as detailed in Exhibit A Scope of Work. The Services shall comply with the County of Santa Cruz Homeless Emergency Aid Program (HEAP) requirements attached hereto as Exhibit C.

2. **COMPENSATION.** In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR as follows: Payment not to exceed \$1,962,245, processed for payment as described in Exhibit A, Scope of Work.

3. **TERM.** The term of this Contract shall be: **July 1, 2019 through June 30, 2020.** If this Contract is placed on the County's Continuing Agreement List before the Contract term expires, the parties agree to extend the terms and conditions of the Contract as set forth herein, and as reflected in any executed amendment hereto, until the Contract is thereafter terminated.

4. **EARLY TERMINATION.** Either party hereto may terminate this Contract at any time by giving thirty (30) days' written notice to the other party.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONTRACTOR shall exonerate, indemnify, defend, and hold harmless COUNTY (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which COUNTY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Contract, excepting any liability arising out of the sole negligence of the COUNTY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COUNTY and any insurance or self-insurance maintained by COUNTY shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR

normally carries insurance in an amount greater than the minimum amount required by the COUNTY for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this Contract, unless CONTRACTOR and COUNTY both initial here / _____.

A. Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and COUNTY both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$_____ combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and COUNTY ____ / ____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the date first written above (in the first paragraph on page 1), and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover the County of Santa Cruz, its officials, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with

such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required insurance policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

**Santa Cruz County
County Administrative Office
Attn: Fiscal
701 Ocean Street, Room 520
Santa Cruz, CA 95060**

Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the COUNTY as a material term of this Contract.

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COUNTY on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

**Santa Cruz County
County Administrative Office
Attn: Fiscal
701 Ocean Street, Room 520
Santa Cruz, CA 95060**

(5) CONTRACTOR hereby grants to COUNTY a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.

7. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Owned Business Enterprises are available from the COUNTY General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the COUNTY.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and COUNTY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of COUNTY. CONTRACTOR is responsible for all insurance (workers' compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. COUNTY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than COUNTY has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, COUNTY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the COUNTY supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COUNTY; (i) CONTRACTOR and COUNTY believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The COUNTY conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

9. **NONASSIGNMENT.** CONTRACTOR shall not assign the Contract without the prior written consent of the COUNTY.

10. **ACKNOWLEDGMENT.** CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Board of Supervisors has provided funding to the CONTRACTOR.

11. **RETENTION AND AUDIT OF RECORDS.** CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by COUNTY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

12. **PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.

13. **ATTACHMENTS.** Should a conflict arise between the language in the body of this Contract and any attachment to this Contract, the language in the body of this Contract controls. This Contract includes the following attachments:

Exhibit A – Scope of Work

Exhibit B – Budget

Exhibit C – County of Santa Cruz Homeless Emergency Aid Program (HEAP) Requirements

14. **LIVING WAGE.** This Contract is covered under Living Wage provisions if this section is initialed by COUNTY _____.

If Item # 14 above is initialed by COUNTY, then this Contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, which requires payment of a living wage to covered employees (per County Code Chapter 2.122.050, non-profit contractors are exempt from the living wage rate requirement of this chapter, but are not exempt from, and must adhere to, the “non-wage” related requirements of County Code Chapter 2.122.100, 2.122.130, and 2.122.140, as well as all other applicable portions of County Code Chapter 2.122). Non-compliance with these Living Wage provisions during the term of the Contract will be considered a material breach, and may result in termination of the Contract and/or pursuit of other legal or administrative remedies.

CONTRACTOR agrees to comply with Santa Cruz County Code section 2.122.140, if applicable.

15. **NON-PROFIT CONTRACTOR MISCELLANEOUS REQUIREMENTS.** The following requirements shall be met, in addition to any other requirements of this Contract:

A. **WEB LINKS** – If a non-profit CONTRACTOR has an organizational web site, it shall be a requirement of this Contract to provide links to the HelpSCC (www.helpsc.org), Santa Cruz County Government (www.co.santa-cruz.ca.us), and Workforce Santa Cruz County (www.workforcescc.com) web sites.

16. **MONITORING PROGRAM FOR 501(c)(3) NONPROFIT AGENCIES.** Each of the following requirements shall be met, in addition to any other requirements of this Contract.

A. Within 180 days of the end of each of the CONTRACTOR’S fiscal years occurring during the term of this Contract, the CONTRACTOR shall provide the Contract

Administrator with two copies of Financial Statements relating to the entirety of the CONTRACTOR'S operations. Financial statements normally include: (1) a Statement of Financial Position or Balance Sheet; (2) a Statement of Activities or Statement of Revenues and Expenses; (3) a Cash Flow Statement; and (4) a Statement of Functional Expenses. The Contract Administrator will forward one copy of the financial statements to the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector ("ACTTC").

- (1) For the purposes of this paragraph, "CONTRACTOR'S fiscal year" shall be that period the CONTRACTOR utilizes for its annual budget cycle.
- (2) The Contract Administrator with concurrence of the ACTTC may agree to extend the deadline for the Financial Statements required by this paragraph.

- B. In the sole discretion of the County, the requirements of this paragraph may be exempted where the Contract Administrator and the ACTTC ascertain that such reporting is not essential, and both certify to its inapplicability by initialing here ____ (Aud); ____ (CA).
- C. The CONTRACTOR shall make a good faith effort to provide the Contract Administrator with timely notice of any event or circumstance that materially impairs the CONTRACTOR'S financial position or substantially interferes with the CONTRACTOR'S ability to offer the services it has agreed to provide as set forth in this Contract. The Contract Administrator shall notify the ACTTC of any impairment upon being notified by the contractor.
- D. For audit authority of the ACCTC refer to the paragraph on "Retention and Audit of Records."

17. **NON-BINDING UNTIL APPROVED.** Regardless of whether this Contract has been signed by all parties, if the total compensation identified in Paragraph 2 of this Contract is greater than \$35,000, this Contract is not binding on any party until the Contract has been approved by the Santa Cruz County Board of Supervisors.

18. **MISCELLANEOUS.** This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that this written Contract supersedes any previous written or oral agreements between the parties, and any modifications to this Contract must be made in a written document signed by all parties. The unenforceability, invalidity or illegality of any provision(s) of this Contract shall not render the other provisions unenforceable, invalid or illegal. Waiver by any party of any portion of this Contract shall not constitute a waiver of any other portion thereof. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the County of Santa Cruz, notwithstanding the fact that one of the contracting parties may reside outside of the County of Santa Cruz. This Contract shall be governed by, and interpreted in accordance with, California law.

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SIGNATURE PAGE

Contract No. 20C4204

INDEPENDENT CONTRACTOR AGREEMENT
(NON-PROFIT)

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

**2. THE SALVATION ARMY,
A CALIFORNIA CORPORATION****4. COUNTY OF SANTA CRUZ**By: _____
SIGNEDBy: _____
SIGNED_____
PRINTED_____
PRINTED

Company Name: THE SALVATION ARMY, A CALIFORNIA CORPORATION

Address: _____

Telephone: 831-426-8365

Fax: 831-426-4370

Email: marcos.marquez@usw.salvationarmy.org

3. APPROVED AS TO INSURANCE:_____
Risk Management**1. APPROVED AS TO FORM:**
Office of the County Counsel**DISTRIBUTION:**

- Homeless Services Coordination Office
- Auditor-Controller-Treasurer-Tax Collector
- Risk Management
- The Salvation Army, a California Corporation

SCOPE OF WORK 2019-20 NORTH COUNTY SHELTERING

I. SCOPE OF WORK

SERVICES TO BE PROVIDED

The Salvation Army, a California Corporation, hereinafter also referred to as TSA (Contractor), a tax-exempt 501(c)(3) organization, shall provide emergency shelter from **July 1, 2019 through June 30, 2020** in accordance with the site operational dates as indicated under "Sites" below. This program shall provide safe sleeping quarters for men, women and children along with restrooms and showers, seven days per week. The program permits couples to remain together, and to the extent possible shall provide separate sleeping areas for single women and families with children. A full hot meal shall be served in the evening. A simple breakfast shall be provided on site for shelter guests prior to departure.

SITES:

Site 1. The Salvation Army Santa Cruz (TSA)

1721 Laurel Street, Santa Cruz, CA 95060

Dates of operation: 7/1/19 through 6/30/20, 7 days a week, 365 days per year

Maximum Occupancy: 55

Eligible clients: Single adult women, families with children, and adults with mobility challenges such as those in wheelchairs or having other significant physically disabling conditions shall be prioritized. Single adult males may also be eligible for shelter provided they do not displace any of the above prioritized populations.

Site 2. Depot Park Freight Building

119 Center Street, Santa Cruz, CA 95060

Dates of operation: 7/2/19 through 6/30/20. The evening meal will be prepared and served at Depot Park Freight Building on Tuesdays due to the fact that the Salvation Army facility is not available until 8:00 p.m.

Maximum Occupancy: 55

Eligible clients: Salvation Army shelter guests.

Site 3. River Street Camp

1220 River Street, Santa Cruz, CA 95060

Dates of operation: 7/1/19 through 3/31/20, 7 days a week, 24 hours daily

Maximum Occupancy: 60 tent sites

Eligible clients: adult men and women

ELIGIBILITY:

Shelter is available to unsheltered homeless adult men and women with or without children who lack a fixed or nighttime residence. Registered sex offenders are not eligible to stay at the shelter. Accommodations shall be made for shelter guests with partners to be sheltered together. Accommodations for shelter guests' pets shall be made when possible. Service animals shall always be permitted to stay at the shelter.

HOUSING FIRST

TSA shall adhere to Housing First principles for participants entering the program. Individuals can participate regardless of income, criminal justice involvement (except for those with registered sex offender status) or other barriers. Staff shall be trained on and shall engage homeless individuals to quickly connect them to the local coordinated entry process to apply for and obtain housing.

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)

TSA staff shall ensure that all clients are entered into HMIS and shall either enter them as a new client or update client data to ensure data quality and participate in producing reports from the system. Staff shall ensure data quality by working directly with the HMIS lead agency, Community Technology Alliance, and ensuring that intake/HMIS staff is adequately trained and data is entered into HMIS in a timely manner.

COORDINATED ENTRY SYSTEM (SMART PATH)

The Salvation Army staff shall ensure that homeless individuals receive a Smart Path Coordinated Entry System (CES) Assessment and their Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT) score entered into HMIS in a timely manner.

INTAKE PROCEDURES**1. Pick up and drop off**

Clients are not permitted to walk up to or walk away from the shelters. All individuals will be transported by bus to and from the shelters and from shuttle bus stops at select locations to be mutually agreed upon between County and TSA. The shuttle bus stops will provide for pick up and drop off of participants in a manner that reasonably minimizes impacts on surrounding properties, though TSA shall not be responsible for participant activities on public properties not under their management.

2. Storage of personal items

Storage of valuables, bulky items and any contraband will occur at the intake site, distributed lockers, and/or the shelter site. All contraband will be securely locked.

DAILY SHUTTLE SCHEDULE:**Laurel Street**

TSA shall be responsible for all shuttle service to/from Laurel Street.

1. Intake/shuttle service may begin as early as 4:30 p.m. and shall end by 6:30 p.m.
2. Drop off at shelters will be between 5:00 p.m. – 6:30 p.m.
3. Dinner will be at 6:30 p.m.

4. Quiet period will begin at 10:00 p.m.
5. From 10:00 pm to 6:00 a.m. participants shall remain indoors at all times.
6. Wake up will be at 6:00 a.m. with a light self-serve breakfast and clean-up of the site.
7. Shuttles will be leaving the site beginning at 7:00 a.m.

1220 River Street

TSA shall not be responsible for shuttle service to/from 1220 River Street.

STAFFING

Minimum staffing to be provided by TSA per site:

- 1 Program Director
 - 1 Deputy Program Director
 - 1 Lead Monitor
 - 2 Monitors
 - 1 Intake/HMIS staff
 - 1 Food server
 - 1 care provider at The Salvation Army facility for 1-3 hours as needed each evening and morning to provide personal hygiene/care for the individuals who are mobility impaired and need assistance with personal needs.
1. On site staffing will consist of a minimum of 2 awake paid staff per shift at each location.
 2. Paid staff will wear an identifying shirt or jacket.
 3. The shelter training plan for all paid and volunteer staff will include the following topics: basic shelter-oriented First Aid; CPR; guidelines for working with difficult guests; communicable and infectious disease control – including lice, scabies, flu, tuberculosis and blood-borne pathogens (Hepatitis B, C, and HIV/AIDS); safe food handling; fire safety, and; disaster preparedness.
 4. All paid and volunteer staff will be instructed in TSA shelter policies and procedures and a policy and procedures manual will be on site. It will include the record keeping for the shelter, emergency protocol and contact numbers, fire and evacuation plans, facility maintenance and site management.

FACILITY PLANS

Each facility will maintain a Facility Plan that includes shelter requirements, safety, parking, neighborhood interface, showers, janitorial/storage expectations.

1. Laurel Street Shelter Requirements to be met by TSA:
 - a. Shelter sites must meet applicable city and county zoning and building requirements.
 - b. Shelter must be provided in a clean, safe, and well-maintained environment.

- c. Each participant must be provided with a mat and blankets free of any parasitic infestation and blankets will be stored in a manner that keeps them clean and out of contact with other shelter guests' bedding.
 - d. Shelter will be operational from, at minimum, 5:00 p.m. to 7:00 a.m.
 - e. Shelter has adequate heating.
 - f. Shelter has sufficient functionally clean and reasonably private toilets and wash basin facilities (with hot and cold water).
2. 1220 River Street Facilities and infrastructure are provided by and under the oversight of the City of Santa Cruz and include provision of:
- a. 24/7 access to and use of 1220 River Street site.
 - b. Portable toilets.
 - c. Portable hand-washing stations.
 - d. Adequate ground infrastructure upon which to erect tents.
 - e. Community area tent(s).
 - f. Individual sleeping tents.
 - g. Sleeping pads.
 - h. Sleeping bags.
 - i. Tarps.
 - j. Conex storage containers for: storage, pantry, and office.
 - k. Electricity connection and Wi-Fi access for staff.

3. Safety plan

No contraband will be allowed into any of the shelter sites. If contraband is found on the shelter site a determination of the outcome will be made by the Program Director. Immediate exit from the shelter is possible if the contraband is severe, i.e. weapons or dangerous items.

There shall be a written plan at each site for responding to first aid and health emergencies.

The facility shall each have basic first aid supplies on site.

TSA shall immediately notify the County Homeless Services Coordinator of any incidents that resulted in a call to 911, including the nature of the call and the outcome of the incident. Rayne.Pérez@santacruzcounty.us or 831-454-3411.

4. Security Plan

Laurel Street

TSA shall ensure the security of indoor and outdoor areas of the Laurel Street facility during the hours of operation and ensure a safe environment. Program staff shall take all reasonable steps necessary to reduce impacts to the neighborhood such as smoke or noise and shall take reasonable steps to reduce loitering around the Laurel Street facility during non-operational hours. Clients shall not be permitted to be outside at any time that program staff are not outside supervising.

In addition to ensuring a safe and secure environment inside the shelter, staff shall periodically provide routine patrols of the neighborhood in the immediate vicinity of the shelter site (i.e. one block each direction) in order to ensure that potential impacts to the neighborhood such as loitering, littering or noise are mitigated in a consistent and effective manner. Staff shall contact the County Homeless Services Coordinator and/or Santa Cruz Police Department to collaborate on solutions for any significant security or safety issues which TSA may have no legal authority or ability to enforce.

1220 River Street

Security will be provided by and at the discretion of the City of Santa Cruz, with oversight provided by the City Manager's Office.

5. Sleeping Plan

Each shelter guest shall be provided a space of at least 3 feet next to his/her sleeping mat to put minimal personal belongings and for ingress and egress. Lights out will be at 10:00 p.m.

6. Parking Plan

Shelter participants may not park their vehicles at the Laurel Street or 1220 River Street facilities. Should this prove to be a significant barrier to shelter for an individual or family staying at Laurel Street for purposes of accessing either education or employment, consideration may be given with approval at the discretion of the Program Director.

7. Bathrooms

Bathrooms will be provided at each site, including at least one accessible bathroom. All bathroom hygienic supplies at Laurel Street shall be provided by TSA.

8. Showers

Laurel Street

Showers, including ADA accessible, shall be made available onsite at the Laurel Street shelter.

1220 River Street

Showers are not provided. Clients may access showers at the Housing Matters hygiene bay or through other local services providers.

9. Neighborhood Contact/Plan

Neighborhood questions and concerns will be directed to the Program Director. Contact information for the Program Directors and local TSA Administration will be clearly posted outside each of the shelters.

10. Janitorial Plan

Laurel Street only

- Floors will be washed daily and carpeted areas vacuumed daily.
- Kitchen and bathroom facilities shall be disinfected daily.

11. Hygiene/Disinfecting

Hand hygiene should be encouraged and supported. Alcohol-based hand rub should be provided.

Sleeping mats at Laurel Street shelters shall be disinfected daily.

Bedding shall be stored in such a way that used bedding does not contact other used bedding or other clean bedding.

12. Health

Guests shall not be turned away from shelter due to untreated lice or scabies but shall be referred to Homeless Persons Health Project as soon as possible. Any shelter guest with a communicable disease shall be provided with a referral to the Homeless Persons Health Project.

Laurel Street

An onsite care worker shall provide guests with physical limitations the assistance they need with such personal care needs such as cleaning, bathing, moving into or out of wheelchairs, or changing clothes.

13. Smoking Plan

Laurel Street

Except from 10:00 pm to 6:00 am when there will be no access to outdoor areas, clients will be allowed to smoke in a designated area. The smoking area shall be supervised by shelter staff at all times and, to the extent possible, will be sited so as to minimize smoke drifting onto neighboring properties. Participants shall not be allowed to congregate on the street or sidewalk, or to be outside between 10:00 p.m. and 6:00 a.m.

MEALS

1. A full hot meal will be served in the evening.
2. A simple breakfast will be provided on site in the morning.
3. The cooks shall all have a valid California Food Handler Card and be responsible for ensuring that all paid and volunteer staff involved in food preparation and serving are adhering to food safety regulations.
4. TSA must obtain a valid Environmental Health Permit for each site where they will be serving food.
5. TSA shall be responsible for correcting any problems identified during Environmental Health Inspections.

CONNECTION TO MAINSTREAM SERVICES

TSA shall provide referrals to programs throughout the county including enrollment assistance for government benefits and navigation to affordable housing. Staff shall provide information and referrals for individuals throughout their participation in the program. Referrals shall include referrals to the Homeless Persons Health Project for participants seeking mental health and medical health assistance.

HOMEWARD BOUND

All clients shall be made aware of the Homeward Bound program and offered that diversion option.

TRANSPORTATION

Laurel Street

TSA shall provide and operate shuttle bus(es) which provide for adequate, timely, and safe transportation operations to and from the shelters, at a cost to the contractor.

1. Shuttle Bus(es): TSA shall provide clean, well maintained, and operationally safe and sound bus(es). The bus(es) shall operate in conformance and accord with State of California Department of Motor Vehicle regulations.
2. Shuttle Bus Routes: The shuttle buses shall provide for pickup and drop off at select locations to be mutually agreed upon between County and TSA prior to program opening.
3. American Disability Act (ADA) Compliance: TSA shall comply with all Federal Regulations on the ADA Accessibility Specifications for Transportation Vehicles, and shall operate vehicles which are handicapped accessible, able to accommodate wheelchair bound persons, and conform to federal and state motor vehicle laws and regulations regarding safe operation.
4. Shuttle Bus Drivers: All drivers must be properly licensed and follow state and federal motor vehicle laws and regulations.
5. Breakdown Service: In the event of a breakdown, alternative transportation must be provided at the sole expense of TSA.
6. Maintenance: Licensing, registration, insurance, maintenance and mechanical repairs will be provided at the sole expense of TSA.

1220 River Street

1. City of Santa Cruz shall provide any shuttle services they deem necessary and appropriate.

II. PROGRAM OUTCOMES LOGIC MODEL

Describe the number and type of activities, number and type of participants, and program-level outcomes:

	Activities Number and Type	Participants Number and Type	Outcomes: Program-Level
	Number and type of services/activities to be performed.	Number of participants to be served.	Number and/or % of program participants who complete an activity, achieve an outcome, increase participation in a service, increase income, etc.
1.	Provide emergency shelter in a low-barrier, Housing First and housing-resolution focused manner, 7 days per week, 365 days per year.	125 individuals per night every night, estimated at 300 unduplicated clients per year.	300 unduplicated individuals per year will transition from unsheltered homeless to sheltered. 100% of clients will receive shelter. 98% of clients will complete the Smart Path CES assessment prior to exit.
2.	Linkage to community resources: health, mental health, public benefits, employment, housing, case management, housing navigation.	300 individuals per year.	300 incidents of service will be provided. 100% of clients will be offered assistance in accessing available programs. 75% of clients will access new services prior to exit.

3.	Housing navigation services.	300 individuals or families per year.	60 individuals or families will transition out of shelter or out of unsheltered homelessness and into a permanent housing destination. 20% of shelter clients will exit homelessness to a permanent housing destination (60 total persons) upon exit from shelter.
4.	Homeward Bound offered to all clients.	300 individuals/families per year.	100% of shelter clients will be offered the diversion option of "Homeward Bound." 15% of shelter clients will utilize Homeward Bound prior to exit.

III. CONTRACTOR RESPONSIBILITIES

In addition to the Scope of Work (I) and Program Outcomes (II), Contractor agrees to the additional responsibilities detailed in the following sections: A. Planning and Coordination; B. Eligible HEAP and CESH Participants; C. Budget Modifications; D. Invoicing; E. Homeless Management Information System (HMIS); F. Limitations on Use of Funds; and G. Additional Terms and Conditions.

A. PLANNING AND COORDINATION

1. Contractor shall recruit, hire and maintain staff specified in Exhibit B Budget and as noted herein, in order to perform all the duties required to work with eligible participants.
2. Contractor shall work with COUNTY authorized staff to utilize approved systems for data collection and reporting, as well as participant and program assessment and evaluation.
3. Contractor shall ensure that staff funded through this contract participate in Housing First, HMIS, and Smart Path Coordinated Entry System or other Continuum of Care (CoC)-provided trainings to facilitate their ability to utilize evidence-based Housing First and other best practices and to ensure compliance with State requirements for use of HEAP funds.
4. Contractor shall participate in regular CoC Homeless Action Partnership (HAP) and other meetings as applicable.

B. ELIGIBLE HEAP & CESH PARTICIPANTS

1. Contractor shall accept referrals of potential participants from the SMART PATH Coordinated Entry System (CES) and will conduct assessments to determine program eligibility. Contractor agrees that any housing-related activities funded with HEAP funds, including but not limited to, emergency shelter, rapid-rehousing, rental assistance, transitional housing and permanent supportive housing must be in compliance with the Core Components of Housing First, pursuant to Welfare and Institution Code Section 8255(b). Contractor shall adhere to Housing First principles as defined by the State in determining eligibility.

C. BUDGET MODIFICATIONS

1. Contractor acknowledges that proposed changes to the scope of services and/or substantial changes to the budget for which funds were awarded by the Homeless Action Partnership Governing Board may be subject to the approval of the HAP Governing Board and may also be subject to approval by the State Homeless Emergency Aid Program and/or California Emergency Solutions and Housing Grant Manager(s).
2. Given approvals stipulated in III.C.1, transfers between budget categories may be made only through a budget modification, which must be requested to the County in writing by the Contractor in advance of the modification, providing the transfer is less than 30% (cumulative) of the approved, total original fiscal year budget.
3. Given approvals stipulated in III.C.1, transfers between budget categories totaling more than 30%, cumulatively, of the original fiscal year budget; transfers between budget suffices; or requests to increase the approved budget may be requested and can only be approved through written approval of the Board of Supervisors and execution of a contract amendment. Contract amendments must be requested approximately two months prior to the proposed effective date of the amendment, to allow time for the Board approval process.

D. INVOICING

1. Contractor shall provide a detailed quarterly invoice, using a template provided by the County, to document program expenditures based on the contractual agreement in Exhibit B – Budget. Backup documentation on the activities is required and shall be included with each invoice.
2. Contractor shall submit each invoice within 30 days following the end of the reported quarter, with the exception of the Quarter 4 invoices detailed below.
3. Contractor shall submit the actual April, May and estimated June 2020 invoices by 5 p.m. on Friday, June 12, 2020. The actual 4th Quarter 2020 invoice will be due by Friday, July 17, 2020.
4. Contractor shall submit invoices, and backup as required, for approval by County staff via email to Rayne.Marr@santacruzcounty.us, or by mailing hard copies to the following address: County of Santa Cruz, County Administrative Office, Homeless Services, 701 Ocean Street, Room 520, Santa Cruz, CA 95060.

E. HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS) AND REPORTING

1. Contractor shall utilize the HMIS as determined by the County, to enter and track data on each participant, as well as measure data that Contractor has access to, toward reporting on the outcomes stated in this scope of work.
2. Contractor shall provide quarterly reports based at a minimum on required State HEAP reporting requirements (see Exhibit C), utilizing a template provided by the County.
3. Changes to reporting requirements may be developed and required by agreement between the County and the Contractor throughout the contract year.
4. Contractor shall submit Quarterly Progress Reports (QPRs) that reflect program budget issues/challenges as well as stated participant outcomes as noted in this scope of work. Contractor shall clearly describe in QPRs their actual progress to date and projected progress towards full spend-down of the HEAP award by June 30, 2021. HEAP funds not expended by the CoC by June 30, 2021 must be returned to the State and revert to the General Fund. Contractor shall use reporting templates created by the County, to be submitted within 30 days following the end of each quarter of the fiscal year. Failure to submit QPRs by the dates due may result in the withholding of payment for invoices until the report is submitted.

F. LIMITATION ON USE OF FUNDS

1. County staff shall review with Contractor the Quarterly Progress Reports (see E4, above) that reflect program budget issues and challenges. If upon review, staff determines that any portion of HEAP award is not on target to be expended in accordance with the budget and is at risk to be forfeited to the State, a contract modification to reduce the award may be required, with the unspent funds reverting to the CoC for redistribution at the discretion of the joint Homeless Action Partnership Governing Board and Executive Committee.

G. ADDITIONAL TERMS AND CONDITIONS

1. Corrective Action: Contractor shall perform the agreed upon services detailed in this scope of work, submit timely invoices and reports, and work to meet agreed upon outcomes as detailed herein. Contractor failure to provide any of these agreed upon terms may result in a Corrective Action request. Corrective Action requests will specify ongoing problems in the performance of these contract terms and a deadline by which to rectify problems and will also require the Contractor to submit a brief Corrective Action Plan detailing how ongoing problems will be resolved. Failure to adequately address steps outlined in the Corrective Action Plan may result in the withholding of payment on invoices

- and/or termination of the contract (see Independent Contractor Agreement, section 4, Early Termination).
2. Federal and State Funding: Contractor shall certify that they are neither suspended, debarred, nor proposed for debarment from receiving federal and/or State funds; declared ineligible to receive federal and/or State funds; or voluntarily excluded from participation in covered transactions by any federal or State department or agency.
 3. Uninterrupted Provision of Services: In order to maintain uninterrupted services under this agreement, the Contractor shall ensure that the budgeted staffing for the contracted services are maintained, which includes providing coverage for staff vacancies or leaves of more than two weeks. Additionally, Contractor program and direct service staff shall be replaced within 90 days of the start of staffing vacancies.
 4. Notification of Personnel Changes: In the event of key personnel changes or leaves of more than two weeks for positions funded by this agreement (e.g., program director, manager of contracted program, direct service staff), Contractor shall report changes to the County within 10 business days of occurrence.
 5. Instruction: Contractor shall provide this Scope of Work to all of its employees who conduct activities under this contract, so that Contractor staff clearly understands expected activities per this agreement. Contractor shall train any new employees who work in any capacities related to the provisions of this contract, in the requirements of this contract.
 6. Consistency of Service: Prior to refusing services to any potential program participant referred by County, Contractor shall conduct an assessment, report the reason for refusal of services to County, and obtain approval from the appropriate County Homeless Services Coordinator.
 7. Media Inquiries: Should the Contractor receive press/media inquiries regarding the services provided through this contract, the Contractor shall notify Rayne Pérez, Homeless Services Coordinator, of the inquiry, at 831-454-3411 or Rayne.Perez@santacruzcounty.us. Press/media may also be referred directly to the County PIO at 831-454-3401 for additional information.

EXHIBIT B – BUDGET**Contract # 20C4204****The Salvation Army, A California Corporation**

North County Sheltering Program

Homeless Emergency Aid Program and California Emergency Solutions and Housing

Cost Category	Contract Amount
Personnel	\$1,494,710
Facilities	\$47,435
Transportation	\$100,740
Services and Supplies	\$140,974
Agency Indirect Charges (10%)	\$178,386
Total Contract Amount	\$1,962,245

Invoicing

Invoices shall be submitted to:

Rayne Pérez

Homeless Services Coordinator

Homeless Services Coordination Office

701 Ocean Street, Room 520

Santa Cruz, CA 95060

Rayne.Pérez@santacruzcounty.us

Tel. 831-454-3411

EXHIBIT C
COUNTY OF SANTA CRUZ HOMELESS EMERGENCY AID PROGRAM (HEAP) REQUIREMENTS

As a subcontractor of the County of Santa Cruz ("County") administering services with Homeless Emergency Aid Program ("HEAP") funds, **The Salvation Army a California Corporation** ("Contractor") agrees to comply with the applicable Standard Terms contained in the County's agreement with the State of California Business, Consumer Services and Housing County ("County") for HEAP funding, as set forth in this Exhibit. If the Contractor fails to comply with these terms, the County may, at its sole discretion, take any and all of the following actions: terminate County HEAP funding to Contractor; require that Contractor return unexpended County HEAP funds; revoke any other County HEAP awards to Contractor; prohibit Contractor from applying for future County HEAP funds; require repayment of County HEAP funds allocated and expended under this Agreement; seek any other remedy available under the law.

1. Reporting/Audits

- A. The Contractor shall submit an annual report to County on forms provided by County, by January 1, 2020 and January 1, 2021. If the Contractor fails to provide such documentation, County may disencumber any portion of the amount authorized by this Agreement with a 14-day written notification. The Contractor shall also submit a final report by September 30, 2021.
- B. The annual report shall contain a detailed report containing the following:
 - 1. Amounts awarded to subcontractors with activity(ies) identified.
 - 2. Contract expenditures.
 - 3. Unduplicated number of homeless persons or persons at imminent risk of homelessness served.
 - 4. Number of instances of service (defined in September 5, 2018 HEAP NOFA).
 - 5. Increases in capacity for new and existing programs.
 - 6. The number of unsheltered homeless persons becoming sheltered.
 - 7. The number of homeless persons entering permanent housing.

Breakdowns will be expected for each activity (i.e. services, capital improvements, rental assistance, etc.) and program type (i.e. emergency shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above, when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities defined by the U.S. Department of Housing and Urban Development (HUD):

- 1. Chronically homeless
- 2. Homeless veterans
- 3. Unaccompanied homeless youth
- 4. Homeless persons in families with children

Counts by subpopulation will not be required in cases where that information is unavailable, but it is expected in cases where client information is entered in a Homeless Management

Information System (HMIS). Additional breakdowns for other subgroups (e.g. race, ethnicity, disability status, etc.) are optional, if the Contractor chooses to include them. The Contractor will also be asked to comment on the following:

1. Progress made toward local homelessness goals.
 2. The alignment between HEAP funding priorities and "Housing First" principles adopted by the Homeless Coordinating and Financing Council. The core components of Housing First are described in Health and Safety Code Section 8255(b): http://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=WIC§ionNum=8255.
 3. Any other effects from HEAP funding that the Contractor would like to share (optional).
- C. County reserves the right to perform or cause to be performed a financial audit. At County request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant. HEAP administrative funds may be used to fund this expense.
1. If a financial audit is required by County, the audit shall be performed by an independent certified public accountant.
 2. The Contractor shall notify County of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by County to the independent auditor's working papers.
 3. The Contractor is responsible for the completion of audits and all costs of preparing audits.
 4. If there are audit findings, the Contractor must submit a detailed response acceptable to County for each audit finding within 90 days from the date of the audit finding report.

2. Retention and Inspection of Records

- A. The Contractor agrees that County or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Contractor agrees to provide County or its designee, with any relevant information requested. The Contractor agrees to permit County or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other materials that may be relevant to a matter under investigation for the purpose of determining compliance with the Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other applicable requirements established under SB 850, HEAP program guidance document published on the website, and this Agreement.
- B. The Contractor further agrees to retain all records described in Paragraph A for a minimum period of five (5) years after the termination of this Agreement.

1. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been commenced before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.

3. Breach and Remedies

- A. The following shall each constitute a breach of this Agreement:
 1. Contractor's failure to comply with the terms or conditions of this Agreement.
 2. Use of, or permitting the use of, HEAP funds provided under this Agreement for any ineligible activities.
 3. Any failure to comply with the deadlines set forth in this Agreement.
- B. In addition to any other remedies that may be available to County in law or equity for breach of this Agreement, County may:
 1. Bar the Contractor from applying for future HEAP funds;
 2. Revoke any other existing HEAP award(s) to the Contractor;
 3. Require the return of any unexpended HEAP funds disbursed under this Agreement;
 4. Require repayment of HEAP funds disbursed and expended under this Agreement;
 5. Require the immediate return to County of all funds derived from the use of HEAP funds including, but not limited to recaptured funds and returned funds;
 6. Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with HEAP requirements; and
 7. Seek such other remedies as may be available under this Agreement or any law.
- C. All remedies available to County are cumulative and not exclusive.
- D. County may give written notice to the Contractor to cure the breach or violation within a period of not less than 15 days.

4. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of County to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Contractor of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of County to enforce these provisions.

5. Nondiscrimination

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction),

pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

6. Conflict of Interest

All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code, sections 10410 and 10411, for State conflict of interest requirements.

- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State County, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State County to provide goods or services.
- B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State County. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State County if he or she was employed by that State County in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- C. **Employees of the Contractor:** Employees of the Contractor shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code section 87100 et seq.

7. Drug-Free Workplace Certification

Certification of Compliance: By signing this Agreement, Contractor, and its subcontractors, hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355(a)(1).
- B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
 - 1. The dangers of drug abuse in the workplace;
 - 2. Contractor's policy of maintaining a drug-free workplace;
 - 3. Any available counseling, rehabilitation, and employee assistance programs; and,
 - 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- C. Provide, as required by Government Code section 8355(a)(3) that every employee and/or subcontractor who works under this Agreement:
 - 1. Will receive a copy of Contractor's drug-free policy statement, and
 - 2. Will agree to abide by terms of Contractor's condition of employment or subcontract.

8. Child Support Compliance Act

For any Contract Agreement in excess of \$100,000, the Contractor acknowledges in accordance with Public Contract Code 7110, that:

- A. The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

9. Special Conditions – Contractors/Subcontractor

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Paragraph 13, Special HEAP Terms and Conditions. The Contractor shall ensure that all Subcontractors are made aware of and agree to comply with all the conditions of this Agreement and the applicable State requirements governing the use of HEAP funds. Failure to comply with these conditions may result in termination of this Agreement.

A. The Agreement between the Contractor and any Subcontractor shall require the Contractor and its Subcontractors, if any, to:

1. Perform the work in accordance with Federal, State and Local housing and building codes, as applicable.
2. Maintain at least the minimum State-required worker's compensation for those employees who will perform the work or any part of it.
3. Maintain, as required by law, unemployment insurance, disability insurance, and liability insurance in an amount that is reasonable to compensate any person, firm or corporation who may be injured or damaged by the Contractor or any Subcontractor in performing the Work or any part of it.
4. Agree to include all the terms of this Agreement in each subcontract.

10. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

The Contractor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, environmental protection, equal opportunity, fair housing, and all other matters applicable and/or related to the HEAP program, the Contractor, its Subcontractors, and all eligible activities.

Contractor shall also be responsible for obtaining any and all permits, licenses, and approvals required for performing any activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the activities. Contractor shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental protection, procurement, and safety laws, rules, regulations, and ordinances. Contractor shall provide copies of permits and approvals to County upon request.

11. Inspections

- A. Contractor shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.

- B. County reserves the right to inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.
- C. Contractor agrees to require that all work that is determined based on such inspections not to conform to the applicable requirements be corrected and to withhold payments to the subrecipient or Subcontractor until it is corrected.

12. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of County, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are and shall be deemed severable.
- B. The Contractor shall notify County immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or County, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of County.

13. Special HEAP Terms and Conditions

- A. All proceeds from any interest-bearing account established by the Contractor for the deposit of HEAP funds, along with any interest-bearing accounts opened by Subrecipients to the Contractor for the deposit of HEAP funds, must be used for HEAP-eligible activities. Consistent with Health and Safety Code Section 50214 (b), no more than five (5) percent of these proceeds may be used for general administrative purposes. At least five (5) percent of these proceeds must be allocated to establishing or expanding services for homeless youth, as defined in HEAP Program documents.
- B. Any housing-related activities funded with HEAP funds, including but not limited to, emergency shelter, rapid-rehousing, rental assistance, transitional housing and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of Housing First, pursuant to Welfare and Institution Code Section 8255(b): http://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=WIC§ionNum=8255
- C. The Contractor agrees to provide the State Business, Consumer Services and Housing Agency and County access to Homeless Management Information System ("HMIS") data collected and entered into the Contractor's HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH including but not limited to, a statewide data integration environment.

Report SCZCM1001: County Form ADM-29 Amendments

24.c

Contract No. 20C4204

Contractor V114482 SALVATION ARMY

Type	GN	ICA General			
Manager			Security Code	1810	County Admin Office
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt		Encumbrance Total
\$1,094,750.00	\$0.00	\$1,094,750.00	\$0.00		\$1,094,750.00
Administrator			CAL Sec	AMEND	AMENDMENT

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the County Admin Office and SALVATION ARMY.
The agreement will provide North County Emergency Winter Shelter.

Period of agreement is from 11/1/2018 to 6/30/2020.

Anticipated Cost is \$1,094,750.00.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qty	Units	Price	Extd Amt
1	2019	GL 185000 - 62381 / JL O18HEAP - 62381	1	UNIT	\$1,094,750.0	\$1,094,750.0
North County Emergency Winter Shelter						

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/03/19 9:12:30	CAO066	Gatisa Noble	Contract Initiator	Self-Approved	Accepted
10/07/19 10:13:41	CAO032	Nicole Coburn	Departmental Manager	Appropriations Are Available	Accepted
10/07/19 10:14:08	CAO032	Nicole Coburn	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
10/17/19 14:25:50	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Accepted

Note BOS approved 6/25/19LD, #58. COB approved 10/17/19.



State of California

County of Santa Cruz

I, Carlos Palacios, ex-officio Clerk of the Board of supervisors of the County of Santa Cruz, State of California, do hereby certify that the above request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Office by an order fully entered in the minutes of said Board on 6/25/2019.

By: Alicia Murillo, Deputy Clerk

AMENDMENTS ATTACHED

Report SCZCM1001: County Form ADM-29 Amendments

24.c

Contract No . 20C4204

AMENDMENT

Contractor V114482 SALVATION ARMY

Change Order 1 **Change Description** Increase 19-20 Shelter Service
Amendment budgeted as follows:

Approval

No	FY	End Date	Account	Type	Total
1	2020		GL 185000 - 62381 / JL O18HEAP - 62381	U	\$867,495.00
					<u>\$867,495.00</u>

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/22/19 16:31:56	CAO029	Christina Mowrey	Contract Initiator	Self-Approved	Accepted
10/22/19 16:32:11	CAO029	Christina Mowrey	Departmental Manager	Appropriations Are Available	Accepted
10/28/19 11:28:36	CAO029	Christina Mowrey	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

THIS AMENDMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS
AS CERTIFIED BY THE CLERK OF THE BOARD

Attachment: ADM29 Contract No. 20C4204 (7908 : Approve Agreement with Salvation Army for FY 2019-20 North County Emergency Shelter)



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office

(831) 454-2100

Subject: Approve Agreement with Community Technology Alliance for HMIS Licensing and System Administration

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Adopt resolution accepting and appropriating \$135,204 in unanticipated revenue from Homeless Management Information System Participation Fees as detailed in the attached AUD-60 Resolution;
- 2) Approve Contract 20C4406 in the amount of \$135,204 with Community Technology Alliance for HMIS licensing and system administration; and
- 3) Authorize the County Administrative Officer or designee to execute the contract on behalf of the County.

Executive Summary

On behalf of the Watsonville/Santa Cruz City and County Continuum of Care (CoC), known locally as the Homeless Action Partnership (HAP), the County Homeless Services Coordination Office (HSCO) recommends the Board accept and appropriate \$135,204 in Homeless Management Information System (HMIS) Participation Fees in accordance with the attached AUD-60 Resolution. Staff requests Board approval of the attached contract in the amount of \$135,204 for HMIS licenses and system administration.

Background

The Homeless Management Information System (HMIS) is a vital component of the Watsonville/Santa Cruz City and County CoC, known locally as the Homeless Action Partnership (HAP). Use of HMIS is a requirement of the U.S. Department of Housing and Urban Development (HUD) funding program. The 2019 application for HUD funds, found elsewhere on today's agenda, totals \$3,328,671. Additionally, use of HMIS is a requirement of the State of California for programs funded by the Homeless Emergency Aid Program (HEAP), California Emergency Solutions and Housing (CESH), and Emergency Solutions Grant (ESG) programs. Community Technology Alliance is the HMIS lead agency for the HAP, and provides HMIS licenses, training, end user support, system administration, and reports. They ensure data quality and compliance with HUD reporting requirements. Beginning in Fiscal Year (FY) 2018-19, the HAP instituted an HMIS Participation Fee to assist in paying for the full cost of HMIS and Coordinated Entry system administration and licensing. The FY 2019-20 policy, attached, requires agencies to make payment to the County of Santa Cruz as the lead agency for the HAP. These fees, together with a HUD grant and a CESH grant, cover the full cost of CTA's scope of work for the HAP. The contract before the Board today is for the portion of the costs covered by HMIS Participation Fees.

Analysis

HUD mandates that CoCs receiving federal McKinney-Vento Act Homeless Assistance Funds implement a Homeless Management Information System (HMIS), a computerized system for collecting data on homeless people and the services they receive. Further, HUD mandates that CoCs implement a Coordinated Entry System (CES). In 2018, the HAP implemented CES in conjunction with a new HMIS system called Clarity. The State of California also requires use of HMIS and Coordinated Entry for the HEAP, CESH, and ESG programs. Our Smart Path Coordinated Entry System relies on HMIS both for tracking individual clients and for system-level reports. The HMIS system is also where the data is generated for required annual reports to HUD and it's the system our technical assistance consultant Focus Strategies has drawn upon for the data that will inform their quantitative system performance assessment.

CTA's total costs for the FY 2019-20 HMIS program are \$271,374. Of this, \$91,699 is funded by a HUD HMIS grant which is paid directly to CTA, and \$44,471 is funded by a CESH grant award already paid to CTA. The remaining costs, totaling \$135,204, are paid for through HMIS Participation Fees. The fees are collected by the HSCO per the HMIS Participation Fee Policy and through this contract will be paid to CTA.

Approval of this contract will ensure that the HMIS system will continue to function as required, and will support costs for software licenses, end user support, system administration and other essential services provided by CTA as detailed in the attached Independent Contractor Agreement in Exhibit A, Scope of Work.

Conclusion

HMIS, a requirement of both HUD and the State of California's various homeless grant programs including HEAP, CESH, and ESG is vital to the functioning of our homeless system of care. HMIS participation fees are a relatively new mechanism for funding our local HMIS system, and beginning this year are being paid to the County through the HSCO. Approval of this contract enables HSCO to pay CTA for their services and for user agencies to continue receiving licenses, end user support, and training; for our Coordinated Entry System to continue functioning; and for necessary data and reports to be generated from the system. Staff therefore requests Board approval of the recommended actions.

Financial Impact

Total contract costs \$135,204, funded by HMIS User Participation Fees which are payable by Homeless Action Partnership (HAP) agencies to County of Santa Cruz as lead agency for the HAP

Strategic Plan Element(s)

II.D - Attainable Housing - Homelessness - Approval of this contract supports the programs and services that work to reduce homelessness and increase housing stability.

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution - AUD60
- b Contract 20C4406 and Exhibits A-B
- c ADM29 20C4406
- d HMIS Participation Fee and License Policy

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

Resolution No. _____

On the motion of Supervisor _____

Duly seconded by Supervisor _____

The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds in the amount of \$135,204 from Homeless Management Information System (HMIS) User Participation Fees payable to the County of Santa Cruz in accordance with the Watsonville/Santa Cruz City & County Continuum of Care (COC) HMIS Participation Fee and License Policy; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$135,204 for use by the County's office of Homeless Services Coordination for HMIS Licensing and System Administration.

<u>GL Key</u>	<u>Revenue Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
185000	42372			Contributions & Donations	\$135,204

and that such funds be and are hereby appointed as follows:

<u>GL Key</u>	<u>Expenditure Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
185000	62381			Prof & Special	\$135,204

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 20__ by the following vote (requires four-fifths vote for approval):

AYES:	SUPERVISORS	_____
NOES:	SUPERVISORS	_____
ABSENT:	SUPERVISORS	_____

Chair of the Board

ATTEST:

Clerk of the Board
AUD60 (Rev 4/15)

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been)(**will be**)received within the current fiscal year.

By: *[Signature]* for Carlos Palacios Date: _____
Department Head

COUNTY ADMINISTRATIVE OFFICER

/XXX/

Recommended to Board

/___ /

Not recommended to Board

APPROVED AS TO FORM:

[Signature] 10/30/19
Office of the County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

[Signature]
Auditor-Controller-Treasurer-Tax Collector
185000 (42372/62381)

Distribution:

Auditor-Controller-Treasurer-Tax Collector
County Counsel
County Administrative Officer

Contract No. 20C4406

INDEPENDENT CONTRACTOR AGREEMENT
(NON-PROFIT)

This Contract, which is effective on the date it is fully executed, is between the COUNTY OF SANTA CRUZ, hereinafter called COUNTY, and **Community Technology Alliance** hereinafter called CONTRACTOR. The parties agree as follows:

1. **DUTIES.** CONTRACTOR agrees to exercise special skill to accomplish the following results: **serve as the Homeless Management Information System (HMIS) lead agency and provide HMIS Licensing and System Administration for the Continuum of Care**, for which the County of Santa Cruz Homeless Services Office is the lead agency, (hereinafter "the project") as described in the **Scope of Work attached here to as Exhibit A.**

2. **COMPENSATION.** In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR as follows: Payment not to exceed **\$135,204**, processed for payment in full after receipt and project manager approval of monthly invoices based upon the amount of actual progress achieved on the project during the preceding month.

3. **TERM.** The term of this Contract shall be: **September 1, 2019 through June 30, 2020**. If this Contract is placed on the County's Continuing Agreement List before the Contract term expires, the parties agree to extend the terms and conditions of the Contract as set forth herein, and as reflected in any executed amendment hereto, until the Contract is thereafter terminated.

4. **EARLY TERMINATION.** Either party hereto may terminate this Contract at any time by giving thirty (30) days' written notice to the other party.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** CONTRACTOR shall exonerate, indemnify, defend, and hold harmless COUNTY (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which COUNTY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Contract, excepting any liability arising out of the sole negligence of the COUNTY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects COUNTY and any insurance or self-insurance maintained by COUNTY shall be considered in

excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by the COUNTY for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this Contract, unless CONTRACTOR and COUNTY both initial here / ____.

A. Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here _____.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and COUNTY both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO Form CG 00 01 with a minimum limit of \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, including coverage for: (a) products and completed operations, (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$ _____ combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and COUNTY ____ / ____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the date first written above (in the first paragraph on page 1), and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover the County of Santa Cruz, its officials, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed

by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required insurance policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

**Santa Cruz County
Homeless Services Office
Attn: Rayne Marr, Homeless Services Coordinator
701 Ocean Street, Room 520
Santa Cruz, CA 95060**

Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the COUNTY as a material term of this Contract.

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide COUNTY on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

**Santa Cruz County
Homeless Services Office
Attn: Rayne Marr, Homeless Services Coordinator
701 Ocean Street, Room 520
Santa Cruz, CA 95060**

(5) CONTRACTOR hereby grants to COUNTY a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.

7. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Owned Business Enterprises are available from the COUNTY General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the COUNTY.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and COUNTY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of COUNTY. CONTRACTOR is responsible for all insurance (workers' compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. COUNTY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than COUNTY has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, COUNTY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the COUNTY supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of COUNTY; (i) CONTRACTOR and COUNTY believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The COUNTY conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

9. **NONASSIGNMENT.** CONTRACTOR shall not assign the Contract without the prior written consent of the COUNTY.

10. **ACKNOWLEDGMENT.** CONTRACTOR shall acknowledge in all reports and literature that the Santa Cruz County Board of Supervisors has provided funding to the CONTRACTOR.

11. **RETENTION AND AUDIT OF RECORDS.** CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by COUNTY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

12. **PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.

13. **ATTACHMENTS.** Should a conflict arise between the language in the body of this Contract and any attachment to this Contract, the language in the body of this Contract controls. This Contract includes the following attachments:

Exhibit A – Scope of Work

14. **LIVING WAGE.** This Contract is covered under Living Wage provisions if this section is initialed by COUNTY _____.

If Item # 14 above is initialed by COUNTY, then this Contract is subject to the provisions of Santa Cruz County Code Chapter 2.122, which requires payment of a living wage to covered employees (per County Code Chapter 2.122.050, non-profit contractors are exempt from the living wage rate requirement of this chapter, but are not exempt from, and must adhere to, the “non-wage” related requirements of County Code Chapter 2.122.100, 2.122.130, and 2.122.140, as well as all other applicable portions of County Code Chapter 2.122). Non-compliance with these Living Wage provisions during the term of the Contract will be considered a material breach, and may result in termination of the Contract and/or pursuit of other legal or administrative remedies.

CONTRACTOR agrees to comply with Santa Cruz County Code section 2.122.140, if applicable.

15. **NON-PROFIT CONTRACTOR MISCELLANEOUS REQUIREMENTS.** The following requirements shall be met, in addition to any other requirements of this Contract:

A. **WEB LINKS** – If a non-profit CONTRACTOR has an organizational web site, it shall be a requirement of this Contract to provide links to the HelpSCC (www.helpscc.org), Santa Cruz County Government (www.co.santa-cruz.ca.us), and Workforce Santa Cruz County (www.workforcescc.com) web sites.

16. **MONITORING PROGRAM FOR 501(c)(3) NONPROFIT AGENCIES.** Each of the following requirements shall be met, in addition to any other requirements of this Contract.

A. Within 180 days of the end of each of the CONTRACTOR’S fiscal years occurring during the term of this Contract, the CONTRACTOR shall provide the Contract Administrator with two copies of Financial Statements relating to the entirety of the CONTRACTOR’S operations. Financial statements normally include: (1) a Statement of

Financial Position or Balance Sheet; (2) a Statement of Activities or Statement of Revenues and Expenses; (3) a Cash Flow Statement; and (4) a Statement of Functional Expenses. The Contract Administrator will forward one copy of the financial statements to the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector ("ACTTC").

- (1) For the purposes of this paragraph, "CONTRACTOR'S fiscal year" shall be that period the CONTRACTOR utilizes for its annual budget cycle.
 - (2) The Contract Administrator with concurrence of the ACTTC may agree to extend the deadline for the Financial Statements required by this paragraph.
- B. In the sole discretion of the County, the requirements of this paragraph may be exempted where the Contract Administrator and the ACTTC ascertain that such reporting is not essential, and both certify to its inapplicability by initialing here ____ (Aud); ____ (CA).
- C. The CONTRACTOR shall make a good faith effort to provide the Contract Administrator with timely notice of any event or circumstance that materially impairs the CONTRACTOR'S financial position or substantially interferes with the CONTRACTOR'S ability to offer the services it has agreed to provide as set forth in this Contract. The Contract Administrator shall notify the ACTTC of any impairment upon being notified by the contractor.
- D. For audit authority of the ACCTC refer to the paragraph on "Retention and Audit of Records."

17. **NON-BINDING UNTIL APPROVED.** Regardless of whether this Contract has been signed by all parties, if the total compensation identified in Paragraph 2 of this Contract is greater than \$100,000, this Contract is not binding on any party until the Contract has been approved by the Santa Cruz County Board of Supervisors.

18. **MISCELLANEOUS.** This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that this written Contract supersedes any previous written or oral agreements between the parties, and any modifications to this Contract must be made in a written document signed by all parties. The unenforceability, invalidity or illegality of any provision(s) of this Contract shall not render the other provisions unenforceable, invalid or illegal. Waiver by any party of any portion of this Contract shall not constitute a waiver of any other portion thereof. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the County of Santa Cruz, notwithstanding the fact that one of the contracting parties may reside outside of the County of Santa Cruz. This Contract shall be governed by, and interpreted in accordance with, California law.

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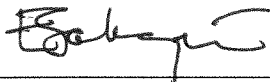
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SIGNATURE PAGE

Contract No. 20C4406

INDEPENDENT CONTRACTOR AGREEMENT
(NON-PROFIT)

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

2. COMMUNITY TECHNOLOGY ALLIANCE**4. COUNTY OF SANTA CRUZ**By: _____
SIGNEDBy: _____
SIGNED**Bob Russell, Chief Executive Officer**
PRINTED_____
PRINTED**Company Name:** Community Technology Alliance**Address:** 75 E. Santa Clara, Suite 600
San Jose, CA 95113**Telephone:** 844-538-5576 or 408-437-8800**Email:** bob@ctagroup.org**3. APPROVED AS TO INSURANCE:** 10/31/19
Risk Management**1. APPROVED AS TO FORM:** 10/30/19
Office of the County Counsel**DISTRIBUTION:**

- CAO - Homeless Services Coordination Office
- Auditor-Controller-Treasurer-Tax Collector
- Risk Management
- Community Technology Alliance

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2. **COMMUNITY TECHNOLOGY ALLIANCE**

By: _____

SIGNED

Bob Russell, Chief Executive Officer

PRINTED

4. **COUNTY OF SANTA CRUZ**

By: _____

SIGNED

PRINTED

Company Name: Community Technology Alliance**Address:** 75 E. Santa Clara, Suite 600
San Jose, CA 95113**Telephone:** 844-538-5576 or 408-437-8800**Email:** bob@ctagroup.org3. **APPROVED AS TO INSURANCE:**_____
Risk Management1. **APPROVED AS TO FORM:**_____
Office of the County Counsel**DISTRIBUTION:**

- CAO - Homeless Services Coordination Office
- Auditor-Controller-Treasurer-Tax Collector
- Risk Management
- Community Technology Alliance



THE HARTFORD
BUSINESS SERVICE CENTER
3600 WISEMAN BLVD
SAN ANTONIO TX 78251

August 6, 2019

County of Santa Cruz
County Administrative Office
701 OCEAN ST RM 520
SANTA CRUZ CA 95060-4015

Account Information:

Policy Holder Details :	COMMUNITY TECHNOLOGY ALLIANCE
--------------------------------	----------------------------------



Contact Us

Business Service Center

Business Hours: Monday - Friday
(7AM - 7PM Central Standard Time)

Phone: (866) 467-8730

Fax: (888) 443-6112

Email: agency.services@thehartford.com

Website: <https://business.thehartford.com>

Enclosed please find a Certificate Of Insurance for the above referenced Policyholder. Please contact us if you have any questions or concerns.

Sincerely,

Your Hartford Service Team

Attachment: Contract 20C4406 and Exhibits A-B (8017 : Approve Agreement with Community Technology Alliance for HMIS Licensing and



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD)
08/06/2019

25.b

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER SUHR RISK SVCS OF CA INS BROKERS 57151466 The Hartford Business Service Center 3600 Wiseman Blvd San Antonio, TX 78265		CONTACT NAME: PHONE (866) 467-8730 (A/C, No, Ext): FAX (888) 443-6112 (A/C, No): E-MAIL ADDRESS:	
INSURED COMMUNITY TECHNOLOGY ALLIANCE 75 E SANTA CLARA ST STE 600 SAN JOSE CA 95113-1826		INSURER(S) AFFORDING COVERAGE INSURER A: Sentinel Insurance Company Ltd. NAIC# 11000 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/Y YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY	X		57 SBA ID3282	07/01/2019	07/01/2020	EACH OCCURRENCE \$1,000,000
	CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000
	<input checked="" type="checkbox"/> General Liability						MED EXP (Any one person) \$10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$1,000,000
	POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC						GENERAL AGGREGATE \$2,000,000
	OTHER:						PRODUCTS - COM/OP AGG \$2,000,000
A	AUTOMOBILE LIABILITY			57 SBA ID3282	07/01/2019	07/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	ANY AUTO						BODILY INJURY (Per person)
	ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/>						BODILY INJURY (Per accident)
	HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/>						PROPERTY DAMAGE (Per accident)
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB			57 SBA ID3282	07/01/2019	07/01/2020	EACH OCCURRENCE \$1,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000						AGGREGATE \$1,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE
							E.L. DISEASE - POLICY LIMIT
A	DATA BREACH - RESPONSE EXPENSE COVG			57 SBA ID3282	07/01/2019	07/01/2020	\$50,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Those usual to the Insured's Operations. Certificate holder is an additional insured per the Business Liability Coverage Form SS0008 attached to this policy.

CERTIFICATE HOLDER

County of Santa Cruz
 County Administrative Office
 701 OCEAN ST RM 520
 SANTA CRUZ CA 95060-4015

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Susan L. Castaneda

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EXHIBIT A – SCOPE OF WORK

Statement of Work

Santa Cruz	County of Santa Cruz/Continuum of Care
Sponsor	Rayne Marr
Phone	831.454.3411
Email	Rayne.Marr@santacruzcounty.us
CTA	Bob Russell
	1080 Minnesota Ave, Suite 1
	San Jose, CA 95125
Phone	408.549.1708
Email	bob@ctagroup.org

SOW Date	June 21, 2019
Project Start	July 1, 2019
Project End	June 30, 2020
Budget	\$271,374

Payment Schedule:

- July 1, 2019: \$22,236
- August 1, 2019: \$22,235
- September 1, 2019: \$23,629
- October 1, 2019: \$22,700
- November 1, 2019: \$22,700 (\$11,700 from HMIS grant)
- December 1, 2019: \$22,700 (\$11,700 from HMIS grant)
- January 1, 2020: \$22,700 (\$11,700 from HMIS grant)
- February 1, 2020: \$22,700 (\$11,700 from HMIS grant)
- March 1, 2020: \$22,700 (\$11,700 from HMIS grant)
- April 1, 2019: \$22,700 (\$11,700 from HMIS grant)
- May 1, 2019: \$22,700 (\$11,700 from HMIS grant)
- June 1, 2010: \$21,674 (\$9,799 from HMIS grant)

Community Technology Alliance

County Administrative Office, County of Santa Cruz

By:



Bob Russell, Executive Director

By:

Date: July 18, 2019

Date:

Address: 75 E Santa Clara Street, Suite 600
San Jose, CA 95113Address: 701 Ocean Street, Room 520
Santa Cruz, CA 95060

**Exhibit A – Scope of Work
Community Technology Alliance
Contract # 20C4406**

Community Technology Alliance, as the Homeless Management Information System (HMIS) lead agency, agrees to perform the following tasks on behalf of the Homeless Action Partnership in FY 2019-20. This contract provides for \$135,204 in funding of a total program budget of \$271,374. The balance of funding for FY 2019-20 services is not included within this contract but is provided through Federal and State grant funds totaling \$136,170. The total cost of this contract is \$135,204.

Clarity/HMIS licensing	Annual renewal fee (131 licenses plus software)
<u>System Administration Deliverables</u>	
End User Support	Up to 28 hours per month in end user support
HUD Reports	Up to 200 hours for HUD mandated reports (APR, LSA, SSVF, and Performance Measures)
Clarity/Looker Reports	Up to 75 hours in Clarity and Looker reporting
Trainings	Up to 28 trainings in any combination of Manager, Enterprise, Emergency Shelter, SSVF, Youth and Looker
Data Quality	Up to 12 data quality workshops
HAP/Smart Path	HAP/Smart Path meetings, and HMIS administration
Hosting	Santa Cruz HMIS site, end user ticketing system,
Contingency	2020 Data Standards, plus contingency for additional trainings, reporting, or support

EXHIBIT A – SCOPE OF WORK

Budget Summary

This statement of work (SOW) is for HMIS licensing and HMIS System Administration deliverables.

HMIS I Smart Path I SSVF I Youth

Task	Description	Pricing
Clarity/HMIS licensing	Annual renewal fee (131 licenses plus software)	\$105,000
System Administration Deliverables		
End User Support	Up to 28 hours per month in end user support	\$50,400
HUD Reports	Up to 200 hours for HUD mandated reports (APR, LSA, SSVF, and Performance Measures)	\$37,000
Clarity/Looker Reports	Up to 75 hours in Clarity and Looker reporting	\$13,875
Trainings	Up to 28 trainings in any combination of Manager, Enterprise, Emergency Shelter, SSVF, Youth and Looker	\$19,600
Data Quality	Up to 12 data quality workshops	\$12,000
HAP/Smart Path	HAP/Smart Path meetings, and HMIS administration	\$17,999
Hosting	Santa Cruz HMIS site, end user ticketing system,	\$6,000
Contingency	2020 Data Standards, plus contingency for additional trainings, reporting, or support	\$9,500
Total		\$271,374

Additional optional services:

- Consulting: \$150 per hour
- Reporting: \$185 per hour
- Trainings: minimum \$700 per training
- DQ workshops: minimum \$1000 per workshop

| Narrative

Clarity renewal fees \$105,000

- Based on current System, Manager, and Enterprise license counts
- Annual renewal fees for Clarity training site and data analysis tool

End User Support \$50,400

- Maintain Salesforce records for all participating agencies, programs and users
- Provide assistance as support cases are filed through the Help Desk
- Provide email and phone support during normal business hours

HUD Reports \$37,000

- Support for HUD mandated deliverables such as APR, ESG CAPER, PIT and LSA
- Provide support to SSVF programs for their monthly uploads
- Analyze data issues and provide with recommendations for data resolutions
- Reconcile HMIS agency data with the HIC
- Upload or facilitate the upload to HDX
- Provide scope of work for any customized reporting

Clarity/Looker Reports \$13,875

- Support for HUD mandated deliverables such as APR, ESG CAPER, PIT and LSA
- Provide support to SSVF programs for their monthly uploads

Trainings \$19,600

- Provide up to 28 training in any combination of Manger, Enterprise, Emergency Shelter, SSVF, Youth, new Data Standards, and Looker reporting
- Trainings include materials, staff preparation, follow-up and travel time
- Maintain and update the training reservation system
- Maintain the HMIS certification site and track certifications

Data Quality \$12,000

- Provide up to 12 data quality workshops
- Generate and provide data quality reports based on the agencies/programs represented at the workshop
- Workshops include materials, staff preparation, follow-up and travel time
- Offer assistance in addressing data quality issues

| Narrative**HAP/Smart Path Support \$17,999**

- Participation in HAP and Smart Path meetings
- Scheduled phone or conference calls related to deliverables in this SOW
- HMIS administration per the HUD HMIS grant

Hosting \$6,000

- Maintain the Santa Cruz HMIS website with links to Clarity, User Central, HAP and Help Desk pages
- Maintain the Salesforce ticketing system, including maintaining records of support cases filed and resolved
- Update User Central and HAP pages as needed

Contingency \$9,500

- Update HMIS and related documents to comply with 2020 Data Standards
- Reserve funding for trainings, reporting, or end user support.

EXHIBIT B – BUDGET

25.b

10/18/2019

Agency Name:

Community Technology Alliance

Project Title

HMIS Licensing and System Administration

Total Award:

\$135

Budget Term: 7/1/19-6/30/20

Program Expenses		Total Program	Total Contract Budget
		FY 19-20	
Non-Personnel Costs			
	Clarity software and license fees	\$ 105,000	\$ 63,101
	End User support	\$ 50,400	\$ 50,400
	HUD mandated reports	\$ 37,000	
	Clarity Looker reports	\$ 13,875	\$ 8,375
	Trainings	\$ 19,600	\$ 9,149
	Data Quality	\$ 12,000	
	HAP Smart Path	\$ 17,999	
	Hosting	\$ 6,000	
	Contingency	\$ 9,500	\$ 4,179
Total Expenses		\$ 271,374	\$ 135,204

Source of Funds:

HMIS USER PARTICIPATION FEES

\$135,204

Invoices shall be submitted to:

Rayne Perez
 Homeless Services Coordinator
 701 Ocean Street, Room 520
 Santa Cruz, CA 95060
Rayne.Perez@santacruzcounty.us
 Tel. 831-454-3411

REFERENCE:

GL Key 185000, Object 62381

Attachment: Contract 20C4406 and Exhibits A-B (8017 : Approve Agreement with Community Technology Alliance for HMIS Licensing and

Report SCZCM1000: County Form ADM-29

25.c

Contract No. 20C4406

Contractor V118583 COMMUNITY TECHNOLOGY ALLIANCE

Type	GN	ICA General			
Manager			Security Code	1810	County Admin Office
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt		Encumbrance Total
\$135,204.00	\$0.00	\$135,204.00	\$0.00		\$0.00
Administrator			CAL Sec ORIG		Original Contract

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the County Admin Office and COMMUNITY TECHNOLOGY ALLIANCE.

The agreement will provide Homeless Management Information System for CoC

Period of agreement is from 11/5/2019 to 6/30/2020.

Anticipated Cost is \$135,204.00.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qty	Units	Price	Extd Amt
1	2020	GL 185000 - 62381 / JL -	1	EA	\$135,204.00	\$135,204.00
		Homeless Management Information System for CoC				

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/22/19 16:07:58	CAO029	Christina Mowrey	Contract Initiator	Self-Approved	Accepted
10/22/19 16:08:21	CAO029	Christina Mowrey	Departmental Manager	Appropriations Are Available	Accepted
10/28/19 12:03:51	CAO029	Christina Mowrey	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

 THIS AGREEMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS AS
 CERTIFIED BY THE CLERK OF THE BOARD

Attachment: ADM29 20C4406 (8017 : Approve Agreement with Community Technology Alliance for HMIS Licensing and System Administration)

SANTA CRUZ COUNTY HOMELESS ACTION PARTNERSHIP

Homeless Management Information System (HMIS) Participation Fee and License Policy

HMIS Participation Fee Policy

Draft

Introduction

The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act enacted into law on May 20, 2009, provides the statutory framework for the federal government's response to homelessness. The HEARTH Act requires that all communities have a Homeless Management Information System (HMIS) with the capacity to collect unduplicated counts of individuals and families experiencing homelessness.¹

To provide the necessary funding for HMIS in our community, our Continuum of Care (CoC) adopted a policy to collect HMIS participation fees. The purpose of HMIS participation fees is to contribute toward the overall costs of licenses, system administration, training, technical support and reporting for our HMIS and Coordinated Entry System (CES). This document explains the fee policies and the procedures for paying the fees and participating in HMIS.

Benefits to Agencies and Programs

The benefits to agencies and programs from these fees include but are not limited to:

- Access for all agencies and programs for HMIS and CES assessment purposes
- Trainings on HMIS and HMIS technical support
- Identifying patterns of service use and measuring program effectiveness
- The ability to produce an unduplicated count of persons experiencing homelessness for each CoC
- A tool to describe the extent and nature of homelessness locally, regionally, and nationally

Participation Fees by Program Type²

1. HUD CoC-Funded Programs

- a. Agencies with Housing and Urban Development (HUD) CoC awards shall pay an annual HMIS program participation fee based on 3% of their annual CoC award budget (CES and Planning grants cannot be included per HUD rules).
- b. Agencies awarded HUD Youth Homelessness Demonstration Project Grant (YHDP) funds shall pay an annual HMIS program participation fee based on 3% of their annual CoC award budget (CES and Planning cannot be included per HUD rules).

2. Non-CoC-Funded Programs

All other agencies that use HMIS to enter client data shall pay a *per program* HMIS participation fee based on the following tiers:

- a. Each *other government-funded* (e.g., ESG, SSVF, CHAMP, CORE, EF&S, HOME, SB 2, Emergency block grant, HEAP, etc.) program set up in HMIS shall pay a \$2,000 annual fixed fee.
- b. Each *non-government-funded* program set up in HMIS shall pay a \$500 annual fixed fee.
- c. Programs with a limited budget may request a reduced rate or one-year scholarship.

¹ <https://www.hudexchange.info/programs/hmis/hmis-requirements/>

² A "program" means a program set up in HMIS in order to collect data for and generate reports just for that program. E.g., if Agency A has 2 SSVF programs in HMIS – one for SSVF homeless and one for SSVF prevention, they would pay \$2,000 for each, or \$4,000.

3. Coordinated Entry Access Only Programs

Agencies with programs that use HMIS only for purposes of coordinated entry access and assessment pay a *per program* coordinated entry participation fee as follows:

- a. Each coordinated entry access only program shall pay a \$500 annual fixed fee.
- b. Programs with a limited budget may request a reduced rate or one-year scholarship.

Flexibility on How Fees are Paid

Agencies have flexibility regarding the source of funding used to pay the fees. They may build the fee into their government program budget if allowed by that program, or they may pay the fee from other agency funds. CoC policy shall specifically allow CoC and YHDP grantees to pay for their 3% participation fees from their CoC and YHDP contracts. Utilizing HUD CoC or YHDP funds to pay the HMIS User Fee(s) may require the agency to first obtain a no-cost HUD grant modification to shift funding to an HMIS budget category from another budget category.

HMIS Participation Fee Payment Procedures

Use of the Fees Generated

The funds generated through HMIS participation fees may only be used as follows:

- To cover necessary costs that are not met by other funding sources for contributing information to HMIS and that would be allowable under a HUD HMIS grant

Participation Fee Effective Date

The effective date of this HMIS Participation Fee and License Policy is July 1, 2019.

Participation Fee Annual Period and Due Dates

- HMIS participation fees cover an annual fee period from July 1 to June 30.
- The proposed actual costs to be paid from HMIS for the upcoming fiscal year must be presented annually by the HMIS lead agency no later than April 1 and reviewed and approved by Homeless Action Partnership (HAP), or by a committee or committees empowered by the HAP to approve the proposed costs.
- HMIS participation fees are due and payable in advance according to the following schedule:
 - **July - August** - Bills sent to agencies
 - **September 1** - Payment due date

A 30-day payment grace period will be applicable. Organizations failing to submit their fees by the end of the grace period (September 30) will have all current HMIS licenses deactivated until such time as payment is received.

Making Payments

HMIS participation fees are payable by check to **The County of Santa Cruz** as lead agency of the Homeless Action Partnership:

The County of Santa Cruz
Attn: Homeless Services Coordination Office
701 Ocean Street, Room 520
Santa Cruz, CA 95060

Scholarships

A one-year scholarship or a reduced rate of the annual fee based upon hardship may be granted to an agency that is not required to participate in HMIS, upon review and recommendation of the HAP HMIS Policy Committee. Requests for a scholarship should be submitted in writing to the CoC lead agency by emailing Rayne Marr (rayne.marr@santacruzcounty.us). before the September 1 payment deadline. The request should explain the circumstances and need for the scholarship.

Changes to Fee Amounts or Fee Types

While every effort was made to determine sufficient but fair fees for HMIS participation, the fee structure is subject to revision in future years due to annual increases in the HMIS operating costs, including software and staffing.

Also, additional fee types may be added in the future to help cover increased costs. This could include special fees for particular services, such as program set up, report customization, in-depth technical support, etc.

All fee changes are subject to approval by the HAP. Notifications of fee changes will be provided to participating agencies by June 30, prior to the start of the new fiscal year.

HMIS License Policy

Introduction

The purpose of the HMIS License policy is to determine the equitable distribution of HMIS licenses distributed to agencies participating in HMIS. This document explains the license policy and procedures for license distribution to agencies participating in HMIS and CES.

License Per Agency

In Fiscal Year (FY) 2018-19 the Santa Cruz County Homeless Action Partnership (HAP) agencies who participated in HMIS collectively purchased 131 HMIS licenses through participation fees. To accommodate all agencies/programs who will participate in HMIS in FY 2019-20, it is anticipated that up to 190 licenses will be needed. Funds from HMIS user participation fees and other available funds will be used to purchase the additional licenses.

The following describes the process for distributing these licenses:

1. Smart Path Assessor only agencies will receive up to 2 licenses
2. Agencies that pay \$2,000 for HMIS fees will receive up to 4 licenses
3. Agencies that pay 3% of their HUD award would retain the current number of licenses they have as of June 2019.
4. If an agency receives over \$100,000 in government grant funds and pays HMIS participation fees from both that grant program and other funds, that agency may receive up to 2 additional licenses.

5. If an agency needs special consideration for more licenses than outlined in this policy, they may make a special request to the CoC lead agency by emailing Rayne Marr (rayne.marr@santacruzcounty.us). The HMIS Policy Committee will review the request to determine whether another license can be issued.

Inactive Licenses

CTA will send a list of all inactive HMIS licenses to the Santa Cruz County CoC lead agency every three months. The CoC lead agency will review the list and alert the agencies associated with the inactive licenses. If the agency has no further need for their inactive license, these licenses will become available for other licensees to participate in HMIS. If the agency intends to continue to use the license, the CoC will communicate with CTA to hold the license for that agency. If after another 3 months, the agency has still not used the license, it will revert back to the CoC and be made available for a new licensee.

New or Additional License Request

To request a new license, a staff person must first attend an HMIS User Training provided by CTA. Licenses may be requested by emailing CTA and copying the CoC Lead Agency. If an agency needs additional licenses above the designated amount, the agency will need to pay CTA directly for a license.



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Clerk / Elections

(831) 454-2060

Subject: Appointments in Lieu of Election

Meeting Date: November 5, 2019

Recommended Action(s):

Adopt the resolutions appointing the unopposed special district candidates who have filed Declarations of Candidacy for the November 5, 2019 Uniform District Election.

Executive Summary

The County Clerk/Elections Department requests the Board appoint the special district candidates. These candidates ran unopposed and can be appointed in lieu of an election.

Background

California Elections Code §10515 states that if the number of candidates who have filed declarations of candidacy prior to the close of the nomination period does not exceed the number of required to be elected, those candidates are appointed in lieu of an election and those contests will not appear on the ballot. The following districts fall under this category:

- Alba Park, Parkway and Recreation District
- Depot Hill Geological Hazard Abatement District
- Opal Cliffs Recreation District
- Place de Mer Geologic Hazard Abatement District
- Salsipuedes Sanitary District

Analysis

In Santa Cruz County there are five districts that still conduct their elections in the odd numbered years. None of the five districts had more candidates file than there were open seats so the contests will not appear on the ballot. The County Clerk/Elections Department tracks their administrative fees involved in filing candidates and will bill the different jurisdictions for their respective fees.

Financial Impact

Districts that have candidates appointed in lieu of election are billed an administrative fee and that revenue is budgeted for in the County Clerk/Election budget.

Strategic Plan Element(s)

6.A (County Operational Excellence: Customer Experience) - Appointing declared unopposed special district candidates provides the voters of Santa Cruz County cost effective, efficient and transparent elections and is in line with the County Strategic Plan.

Submitted by:

Gail Pellerin, County Clerk

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution - Alba Park Appointed in Lieu of Election
- b Resolution - Depot Hill Appointed in Lieu of Election
- c Resolution - Opal Cliffs Appointed in Lieu of Election
- d Resolution - Place de Mer Appointed in Lieu of Election
- e Resolution - Salsipuedes Appointed in Lieu of Election

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA**

RESOLUTION NO. _____

On the motion of Supervisor
Duly seconded by Supervisor
The following Resolution is adopted:

**RESOLUTION APPOINTING MEMBERS IN LIEU OF ELECTION TO THE BOARD
OF THE DIRECTORS OF THE ALBA PARK, RECREATION AND PARKWAY
DISTRICT**

WHEREAS, the County Clerk of the County of Santa Cruz has determined that the number of candidates for the office of director of the aforesaid district does not exceed the number of director(s) to be filled at the forthcoming district election on November 5, 2019; and

WHEREAS, Declarations of Candidacy were filed by the following persons for the terms set forth below:

<u>NAME</u>	<u>TERM</u>
Jeremy Schowalter	4-year term
Danny Thorpe	4-year term

WHEREAS, no petition has been filed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division, if elected by division, requesting that the district election be held; and

WHEREAS, in this event, Elections Code Section 10515 provides for a request that the Board of Supervisors, "at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any, who have filed Declarations of Candidacy.... If no person has filed a Declaration of Candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office."

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz that the persons listed below are hereby appointed for the terms set forth as members of the Board of Directors of the Alba Park, Recreation and Parkway District to serve in such capacities from noon on December 6, 2019 until the expiration of the term.

NAME

Jeremy Schowalter
 Danny Thorpe

TERM

4-year term
 4-year term

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this _____ day of _____ 2019, by the following vote:

AYES:**NOES:****ABSENT:****ABSTAIN:**

ATTEST: _____
 Chairperson of said Board

ATTEST: _____
 Clerk of said Board

APPROVED TO AS FORM:


 County Counsel

10/9/19

cc: Alba Park, Recreation and Parkway District

Attachment: Resolution - Alba Park Appointed in Lieu of Election (7933 : Appointments in Lieu of Election)

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA**

RESOLUTION NO. _____

On the motion of Supervisor
Duly seconded by Supervisor
The following Resolution is adopted:

**RESOLUTION APPOINTING MEMBERS IN LIEU OF ELECTION TO THE BOARD
OF THE DIRECTORS OF DEPOT HILL GEOLOGICAL HAZARD ABATEMENT
DISTRICT**

WHEREAS, the County Clerk of the County of Santa Cruz has determined that the number of candidates for the office of director of the aforesaid district does not exceed the number of director(s) to be filled at the forthcoming district election on November 5, 2019; and

WHEREAS, Declarations of Candidacy were filed by the following persons for the terms set forth below:

NAME

Eugene Bernald

TERM

4-year term

WHEREAS, there was a vacancy at the end of the candidacy period and Election Code section 10515(b) requires the supervising board to appoint a person who was qualified as of November 5, 2019, to fill the position for the length of the term, the District recommends the following person for the term set forth below:

NAME

Lester W Loops

TERM

4-year term

WHEREAS, no petition has been filed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division, if elected by division, requesting that the district election be held; and

WHEREAS, in this event, Elections Code Section 10515(a) provides for a request that the Board of Supervisors, "at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any who have filed Declarations of Candidacy," and Section 10515(b) provides that "if no person has filed a Declaration of Candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office."

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz that the persons listed below are hereby appointed for the terms set forth as members of the Board of Directors of the Depot Hill Geological Hazard Abatement District to serve in such capacities from noon on December 6, 2019 until the expiration of the term.

NAME

Eugene Bernald
Lester W Loops

TERM

4-year term
4-year term

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this _____ day of _____ 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson of said Board

ATTEST: _____
Clerk of said Board

APPROVED TO AS FORM:

Ruby Mangano 10/31/19
County Counsel

cc: Depot Hill Geological Hazard Abatement District

Attachment: Resolution - Depot Hill Appointed in Lieu of Election (7933 : Appointments in Lieu of Election)

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA**

RESOLUTION NO. _____

On the motion of Supervisor
Duly seconded by Supervisor
The following Resolution is adopted:

**RESOLUTION APPOINTING MEMBERS IN LIEU OF ELECTION TO THE BOARD
OF THE DIRECTORS OF OPAL CLIFFS RECREATION DISTRICT**

WHEREAS, the County Clerk of the County of Santa Cruz has determined that the number of candidates for the office of director of the aforesaid district does not exceed the number of director(s) to be filled at the forthcoming district election on November 5, 2019; and

WHEREAS, Declarations of Candidacy were filed by the following persons for the terms set forth below:

<u>NAME</u>	<u>TERM</u>
Chris Irving	4-year term
Jenae Replogle	4-year term
Craig Springbett	4-year term

WHEREAS, no petition has been filed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division, if elected by division, requesting that the district election be held; and

WHEREAS, in this event, Elections Code Section 10515 provides for a request that the Board of Supervisors, "at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any who have filed Declarations of Candidacy.... If no person has filed a Declaration of Candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office."

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz that the persons listed below are hereby appointed for the terms set forth as members of the Board of Directors of the Opal Cliffs Recreation District to serve in such capacities from noon on December 6, 2019 until the expiration of the term.

NAME

Chris Irving
 Jenae Replogle
 Craig Springbett

TERM

4-year term
 4-year term
 4-year term

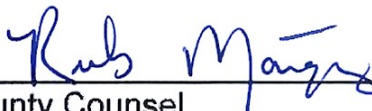
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this _____ day of _____ 2019, by the following vote:

AYES:**NOES:****ABSENT:****ABSTAIN:**

 Chairperson of said Board

ATTEST: _____
 Clerk of said Board

APPROVED TO AS FORM:

 10/9/19
 County Counsel

cc: Opal Cliffs Recreation District

Attachment: Resolution - Opal Cliffs Appointed in Lieu of Election (7933 : Appointments in Lieu of Election)

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA**

RESOLUTION NO. _____

On the motion of Supervisor
Duly seconded by Supervisor
The following Resolution is adopted:

**RESOLUTION APPOINTING MEMBERS IN LIEU OF ELECTION TO THE BOARD
OF THE DIRECTORS OF THE PLACE DE MER GEOLOGICAL HAZARD
ABATEMENT DISTRICT**

WHEREAS, the County Clerk of the County of Santa Cruz has determined that the number of candidates for the office of director of the aforesaid district does not exceed the number of director(s) to be filled at the forthcoming district election on November 5, 2019; and

WHEREAS, Declarations of Candidacy were filed by the following persons for the terms set forth below:

<u>NAME</u>	<u>TERM</u>
John Alburger	4-year term
Mark Areias	4-year term
Roger Valine	4-year term

WHEREAS, no petition has been filed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division, if elected by division, requesting that the district election be held; and

WHEREAS, in this event, Elections Code Section 10515 provides for a request that the Board of Supervisors, "at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any who have filed Declarations of Candidacy. If no person has filed a Declaration of Candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz that the persons listed below are hereby appointed for the terms set forth as members of the Place de Mer Geological Hazard Abatement District to serve in such capacities from noon on December 6, 2019 until the expiration of the term.

NAME

John Alburger
 Mark Areias
 Roger Valine

TERM

4-year term
 4-year term
 4-year term

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this _____ day of _____ 2019, by the following vote:

AYES:**NOES:****ABSENT:****ABSTAIN:**

 Chairperson of said Board

ATTEST: _____
 Clerk of said Board

APPROVED TO AS FORM:

Rob Mangos 10/9/19
 County Counsel

CC: Place de Mer Geological Hazard Abatement District

Attachment: Resolution - Place de Mer Appointed in Lieu of Election (7933 : Appointments in Lieu of Election)

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA**

RESOLUTION NO. _____

On the motion of Supervisor
Duly seconded by Supervisor
The following Resolution is adopted:

**RESOLUTION APPOINTING MEMBERS IN LIEU OF ELECTION TO THE BOARD
OF THE DIRECTORS OF SALSIPUEDES SANITARY DISTRICT**

WHEREAS, the County Clerk of the County of Santa Cruz has determined that the number of candidates for the office of director of the aforesaid district does not exceed the number of director(s) to be filled at the forthcoming district election on November 5, 2019; and

WHEREAS, Declarations of Candidacy were filed by the following persons for the terms set forth below:

<u>NAME</u>	<u>TERM</u>
David Ferracane	4-year term
Allen Rusler	4-year term
Priscilla Stumbaugh	4-year term

WHEREAS, no petition has been filed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division, if elected by division, requesting that the district election be held; and

WHEREAS, in this event, Elections Code Section 10515 provides for a request that the Board of Supervisors, "at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any who have filed Declarations of Candidacy.... If no person has filed a Declaration of Candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office."

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz that the persons listed below are hereby appointed for the terms set forth as members of the Board of Directors of the Salsipuedes Sanitary District to serve in such capacities from noon on December 6, 2019 until the expiration of the term.

NAME

David Ferracane
 Allen Rusler
 Priscilla Stumbaugh

TERM

4-year term
 4-year term
 4-year term

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this _____ day of _____ 2019, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

SUPERVISORS
SUPERVISORS
SUPERVISORS
SUPERVISORS

 Chairperson of said Board

ATTEST: _____
 Clerk of said Board

APPROVED TO AS FORM:

Ruby Mangano 10/9/2019
 County Counsel

cc: Salsipuedes Sanitary District

Attachment: Resolution - Salsipuedes Appointed in Lieu of Election (7933 : Appointments in Lieu of Election)



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: General Services Department

(831) 454-2210

Subject: Adopt Resolutions and approve Fixed Asset Purchase for the Govt Center Community Room Remodel

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Adopt Resolution Accepting Unanticipated Revenue in the amount of \$85,000 into the General Services Cafeteria Division;
- 2) Adopt Resolution Accepting Unanticipated Revenue in the amount of \$23,000 from the Information Services Department; and
- 3) Approve fixed asset purchase of a television by Information Services Department for this remodel project.

Executive Summary

The General Services Department is requesting Board approval to utilize available funds, currently held in the Cafeteria Trust Fund, and from the Information Services Department, to re-purpose the Government Center Cafeteria space into a meeting and community room.

Background

For several decades, the Government Center maintained and operated the American Cafe ("Cafeteria"), that served the staff and public by providing food and beverage options. In June 2019, the vendor contract servicing the operation was terminated and a Food Truck pilot program started shortly thereafter. Over the last few months, the County Administrative Office has worked closely with General Services to develop and implement an appropriate and responsible plan to perform a critically-needed remodel of the Government Center Cafeteria facilities. The General Services Department has identified available funds to ensure funding for necessary facility upgrades and technology.

Analysis

The Community Room will be used as a meeting space, a staff training room, as well as an overflow room for the Board Chambers and also can be used as an alternate room for Board and commission/other meetings. As such, the Information Services Department is authorizing the release of PEG (Public, Education, and Government) fees to cover the equipment capital costs for the room.

The Information Services Department will be acquiring the Fixed Asset and technological equipment. The fixed asset will be a 100" Television; other equipment

includes: a rack, audio system with wired and wireless microphones, networking equipment, wireless access point, and all wiring or connectors required.

Other available funds are currently held in the General Services Department Cafeteria Trust to cover construction.

Once these financial documents are approved by the Board, General Services will be able to move forward with purchases and remodel plans. This project is anticipated to be completed by end of November 2019.

Financial Impact

Funding from the Cafeteria Trust Fund in the amount of \$85,000 and the Information Services Department Public, Educational and Government (PEG) Fund in the amount of \$23,000 will provide funding for this project.

PEG will be utilized as follows:

700550 86204 Equipment (100" TV-Fixed Asset) \$16,000

700550 62226 Inventoriable Items \$7,000

Strategic Plan Element(s)

6.C (Operational Excellence: County Infrastructure) - The recommended actions serve to support the County operations by maximizing and responsibly maintaining County assets in support of the County Administrative Office.

Submitted by:

Michael Beaton, Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution - AUD60 Cafeteria Division
- b Resolution - AUD60 Information Services - CTV Trust Fund PEG

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

Resolution No. _____

On the motion of Supervisor _____
Duly seconded by Supervisor _____
The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$85,000, from Cafeteria Trust; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$85,000 for use by the General Services Department-Cafeteria Division.

<u>GL Key</u>	<u>Revenue Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
333800	42367			Contributions From Other Funds	\$85,000

and that such funds be and are hereby appointed as follows:

<u>GL Key</u>	<u>Expenditure Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
333800	61835			Facility Maintenance	\$85,000

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 20__ by the following vote (requires four-fifths vote for approval):

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSENT: SUPERVISORS _____

Chair of the Board

ATTEST:

Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been)(will be)received within the current fiscal year.

By: [Signature]
Department Head

Date: 10/28/19

COUNTY ADMINISTRATIVE OFFICER

/ X /

Recommended to Board

/ ____ /

Not recommended to Board

APPROVED AS TO FORM:

[Signature]
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

[Signature]
Auditor-Controller-Treasurer-Tax Collector

333 800 (42367/61035)

Distribution:

Auditor-Controller-Treasurer-Tax Collector
County Counsel
County Administrative Officer
General Services

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

Resolution No. _____

On the motion of Supervisor _____
Duly seconded by Supervisor _____
The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$23,000, from Public, Educational, and Government Fees, for the Community Room Audio-Visual program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$23,000 for use by the Information Services Department for the Community Room Audio-Visual program.

<u>GL Key</u>	<u>Revenue Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
700550	42384			OTHER REVENUE	\$23,000

and that such funds be and are hereby appointed as follows:

<u>GL Key</u>	<u>Expenditure Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
700550	86204			EQUIPMENT	\$ 16,000
700550	62226			INVENTORIAL ITEMS	\$ 7,000

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 20____ by the following vote (requires four-fifths vote for approval):

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSENT: SUPERVISORS _____

Chair of the Board

ATTEST:

Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been) (will be) received within the current fiscal year.

By: _____

Department Head

Date: 10/28/2019

COUNTY ADMINISTRATIVE OFFICER

/ X /

Recommended to Board

/ ____ /

Not recommended to Board

APPROVED AS TO FORM:

D. McRae
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

Monice Tinkum
Auditor-Controller-Treasurer-Tax Collector

700550 (42384, 86204, 62226)

Distribution:

Auditor-Controller-Treasurer-Tax Collector
County Counsel
County Administrative Officer
Originating Department



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: General Services Department

(831) 454-2210

Subject: County Surplus Sales

Meeting Date: November 5, 2019

Recommended Action(s):

Approve and authorize the Director of General Services to re-instate surplus sales and authorize the use of Govdeals.com as the platform to conduct those surplus sales.

Executive Summary

The General Services Department is requesting that surplus sales be re-instated utilizing Govdeals.com for online auction services.

Background

In 2016, surplus sales were halted by the Department of General Services due to poor turnout for on-site warehouse sales, time and effort required to conduct surplus sales, and lack of internal controls for surplus sales. Since that time all surplus items have been donated to a select few non-profit agencies.

Analysis

A review of the current practices and those of other local governmental jurisdictions has identified areas that we can adopt and improve within our current surplus practices. Online auctions of governmental surplus has been trending within governmental organizations as best practice. A review identified the following organizations utilizing Govdeals.com as a online surplus market place; State of California, County of Monterey, Santa Clara County, University of California Santa Cruz, City of Santa Clara, San Benito County, and a multitude of neighboring school districts.

The benefits of utilizing an online auction for surplus sales are the visibility of the items that will demand higher prices. The online auction site allows for direct electronic payments to the County bank account with a detailed audit trail for every purchase. The process for surplus item sales will be fully transparent and a 10% service fee for all purchases of County Surplus will be the responsibility of the Buyer and not the County.

Financial Impact

Any proceeds from the sale of surplus equipment will be deposited into the Warehouse GL Key 334200. Financial impact is identified as negligible.

Strategic Plan Element(s)

6.D (Operational Excellence: Continuous Improvement) General Services will be utilizing new online technology to conduct warehouse surplus sales.

Submitted by:

Michael Beaton, Director

Recommended by:

Carlos J. Palacios, County Administrative Officer



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Information Services Department
(831) 454-2030

Subject: 2020 Cooperative Aerial Imagery Project

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Approve the attached two-year agreement with Pictometry International Corp. in the amount of \$94,674.99 for the 2020 Cooperative Aerial Imagery Project, and authorize the Director of Information Services to sign the agreement;
- 2) Approved the attached Memorandums of Understanding (MOUs) with the municipalities or agencies participating as project partners, and authorize the Director of Information Services to sign the MOUs; and
- 3) Approve the attached resolution accepting unanticipated revenue in the amount of \$26,933 in Fiscal Year (FY) 2019-20 from the participating municipalities.

Executive Summary

The County's Geographical Information Systems (GIS) team is assuming a lead in a multi-agency aerial imagery project scoped to cover the terrain within Santa Cruz County's boundaries.

Background

The County previously participated in aerial imagery projects in FY 2002-03, FY 2006-07, and FY 2015-16. Aerial imagery is updated on a regular cycle to ensure that applications, maps and displays that are based on the imagery reflect accurate ground conditions.

Analysis

Updating aerial imagery tracks changes across infrastructure, community development, property development, water resources, vegetation, and environmental domains, some of which have revenue implications to the county. County Environmental Health, Public Works Department, and the Planning Department are the main beneficiaries of updated aerial imagery. Additionally, six local municipalities or agencies are partnering with the County and are providing funding to participate in the 2020 Cooperative Aerial Imagery Project, which will be administered by the Information Services Department.

Participants sharing the cost of the imagery, contingency and other costs will reimburse the County by no more than:

Agency	FY 2019-20	FY 2020-21
--------	------------	------------

City of Capitola	\$630	\$630
City of Santa Cruz	\$6,615	\$6,615
City of Scotts Valley / SVWD	\$3,098	\$3,098
Soquel Creek Water District	\$4,410	\$4,410
City of Watsonville	\$12,180	\$12,180
Total	\$26,933	\$26,933

Financial Impact

Funds for this project are budgeted in FY 2019-20 within the Information Services Department's GIS program (GL Key 424500 - Object 86204). A total of \$26,933 in revenues from partner municipalities will offset approximately 48% of the project's cost.

Strategic Plan Element(s):

County Operational Excellence - County Infrastructure

Submitted by:

Kevin Bowling, Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Agreement 20C4403 - Pictometry International Corp.
- b ADM-29 Pictometry International Corp. 20C4403
- c MOU - City of Capitola
- d MOU - City Of Santa Cruz
- e MOU - City of Scotts Valley
- f MOU - Scotts Valley Water District
- g MOU - Soquel Creek Water District
- h MOU - City of Watsonville
- i Resolution AUD-60

**LAC EXTERNAL ENTITY AGREEMENT BETWEEN
PICTOMETRY INTERNATIONAL CORP. ("Pictometry") AND
SANTA CRUZ COUNTY, CA ("CUSTOMER")**

Whereas, Pictometry is a party to an Agreement By and Between County of Los Angeles and Pictometry for Digital Aerial Data dated December 2013 (the "LAC Agreement"); and

Whereas the LAC Agreement provides that an External Entity (as defined in the LAC Agreement) may license or otherwise acquire rights to digital aerial data outside of Los Angeles County pursuant to or based upon the pricing and/or other terms set forth in Exhibit C (Schedule for External Entities) of the LAC Agreement; and

Whereas, Customer meets the criteria necessary to be an External Entity; and

Whereas, Customer wishes to obtain certain Pictometry products and services as an External Entity based upon the LAC Agreement;

Now therefore, Customer and Pictometry hereby agree as follow

1. This order form ("Order Form"), in combination with certain provisions of the LAC Agreement identified below and the contract components listed below and attached hereto:

Section A: Product Descriptions, Prices and Payment Terms
Sector Map

(all of which, collectively, constitute the "Santa Cruz County Agreement"), which sets forth the entire understanding between Pictometry and Customer with respect to the subject matter hereof and supersedes all prior representations, agreements and arrangements, whether oral or written, relating to the subject matter hereof. Modifications to the Santa Cruz County Agreement must be made in writing and be signed by duly authorized officers of each party. Any purchase order or similar document issued by Customer in connection with this Santa Cruz County Agreement is issued solely for Customer's internal administrative purposes and the terms and conditions set forth on any such purchase order shall be of no force or effect as between the parties.

2. In the event of any conflict among any contract components comprising the Santa Cruz County Agreement, order of precedence for resolving such conflict shall be, from highest (i.e., supersedes all others) to lowest (i.e., subordinate to all others): Non-Standard Terms and Conditions (if any), Photogrammetric Product Specifications (if any), and Order Form (including provisions incorporated from the LAC Agreement).
3. All notices under the Santa Cruz County Agreement shall be in writing and shall be sent to the following respective addresses:

CUSTOMER NOTICE ADDRESS	PICTOMETRY NOTICE ADDRESS
701 W Cliff Dr.	25 Methodist Hill Drive
Santa Cruz, CA 95060	Rochester, NY 14623
Attn: Matt Price, Manager, GIS	Attn: Contract Administration
Phone: (831) 454-3101	Phone: (585) 486-0093

Either party may change their respective notice address by giving written notice of such change to the other party at the other party's then-current notice address. Notices shall be given by any of the following methods: personal delivery; reputable express courier providing written receipt; or postage-paid certified or registered United States mail, return receipt requested. Notice shall be deemed given when actually received or when delivery is refused.

4. All of the Santa Cruz County Agreement, including all licenses granted pursuant to it, shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns, but shall not be assignable by either party except that (i) Pictometry shall have the right to assign its right to receive Fees under the Santa Cruz County Agreement, provided no such assignment shall affect Pictometry's obligations hereunder, and (ii) Pictometry shall have the right to assign all its rights under the Santa Cruz County Agreement to any person or entity, provided the assignee has assumed all of Pictometry's obligations under the Santa Cruz County Agreement.
5. Customer shall have the rights set forth in Section 10 of the LAC Agreement to use the products and services described in Section A to the Santa Cruz County Agreement.

6. The products and services described in Section A to the Santa Cruz County Agreement are provided to Customer subject to the provisions of Sections 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 28, 30, 31, 32, 33, 34, 35, 39, 40, 41, 42, 43, 53, 54, 55, 56, 57, and 58 of the L A I Agreement as if those provisions were set forth herein. *mutatis mutandis*.
7. In consideration of, and subject to, payment by Customer of the Fees specified in Section A of the Santa Cruz County Agreement, Pictometry agrees to provide Customer with access to and use of the products specified in Section A of the Santa Cruz County Agreement, subject to the terms and conditions set forth in the Santa Cruz County Agreement.
8. Customer hereby agrees to pay the Fees specified in Section A of the Santa Cruz County Agreement in accordance with the stated payment terms and accepts and agrees to abide by the terms of the Santa Cruz County Agreement.

The Santa Cruz County Agreement shall become effective upon execution by duly authorized officers of the Customer and Pictometry and receipt by Pictometry of such fully executed document, such date of receipt by Pictometry being the "Effective Date."

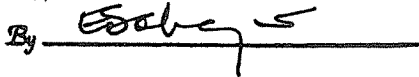
PARTIES:

CUSTOMER	PICTOMETRY
Santa Cruz County	PICTOMETRY INTERNATIONAL CORP.
a political subdivision of the State of California	a Delaware corporation
SIGNATURE:	SIGNATURE:
NAME:	NAME:
TITLE:	TITLE:
DATE:	EXECUTION DATE:
	DATE OF RECEIPT (EFFECTIVE DATE)

APPROVED AS TO FORM:

By: 
Office of the County Counsel

Approved as to substance

By: 

Date 9/19/19

Attachment: Agreement 20C4403 - Pictometry International Corp. (7819 : 2020 Cooperative Aerial Imagery Project)

SECTION A

PRODUCT DESCRIPTIONS, PRICES AND PAYMENT TERMS

Pictometry International Corp.
25 Methodist Hill Drive
Rochester, NY 14623

ORDER #

C11546462

BILL TO
Santa Cruz County, CA
Matt Price, Manager, GIS
701 W Cliff Dr.
Santa Cruz, CA 95060
(831) 454-3101
matt.price@santacruzcounty.us

SHIP TO
Santa Cruz County, CA
Matt Price, Manager, GIS
701 W Cliff Dr.
Santa Cruz, CA 95060
(831) 454-3101
matt.price@santacruzcounty.us

CUSTOMER ID	SALES REP
A133582	dpeck

QTY	PRODUCT NAME	PRODUCT DESCRIPTION	LIST PRICE	DISCOUNT PRICE (%)	AMOUNT
174	IMAGERY-Color Digital Orthophotography-3in GSD-Industry-Standard Delivery Format-per sq mi	Product includes: Color Digital Orthophotography - 3 inch GSD ("CDO") consists of 3-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO Deliverables and shall own those copies. Applicable Terms and Conditions: Order Form	\$350.00		\$60,900.00
357	IMAGERY-Color Digital Orthophotography-9in GSD-Industry-Standard Delivery Format-per sq mi	Product includes: Color Digital Orthophotography - 9 inch GSD ("CDO") consists of 9-inch GSD ortho mosaics delivered to Customer in an open industry-standard digital delivery format not proprietary to Pictometry. See Appendix for mosaic specifications and selected delivery format. Customer shall own the copies of the CDO delivered to the Customer in an industry-standard digital delivery format not proprietary to Pictometry pursuant to this Agreement (the "CDO Deliverables"), notwithstanding anything in this Agreement to the contrary. Pictometry shall retain copies of the CDO Deliverables and shall own those copies. Applicable Terms and Conditions: Order Form	\$75.00	\$73.60 (1.867%)	\$26,274.99
1	AccuPLUS Project Fee - PICT DTM	AccuPLUS project fee for projects without customer-supplied DTM	\$7,500.00		\$7,500.00
1	AccuPlus Imagery Bundle with Two (2) Years of EFS Main Maintenance & Support	Includes digital copy of the Licensed Documentation for the License Software, two (2) End User Training Sessions, one (1) Advanced User Technical Training, one (1) Administration / IT Training Session, ten (10) hours of telephone support, one copy of Pictometry Electronic Field Study (EFS) software, latest version, on the storage media specified herein, and access to download updated versions of the EFS Licensed Software for a period of two years from the initial date of shipment of the EFS software, along with a copy of the updated documentation.	\$0.00		\$0.00
1	RapidAccess - Disaster Response Program	RapidAccess - Disaster Response Program is an emergency response program offering flights after an emergency or disaster. Refer to the attached detailed description of the Disaster Response Program. Applicable Terms and Conditions: Order Form	\$0.00		\$0.00
1	Media Drive Capacity 931G - Drive Model 1T - EXTPOWER	External USB 2.0 / eSATA Externally Powered. Delivery media prices include copying a complete image library onto media. Sub-warehousing sold separately. Applicable Terms and Conditions: Order Form	\$199.00	\$0.00 (100%)	\$0.00

Thank you for choosing Pictometry as your service provider.	TOTAL	\$94,674.99
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¹Amount per product = ((1-Discount %) * Qty * List Price)

FEES; PAYMENT TERMS

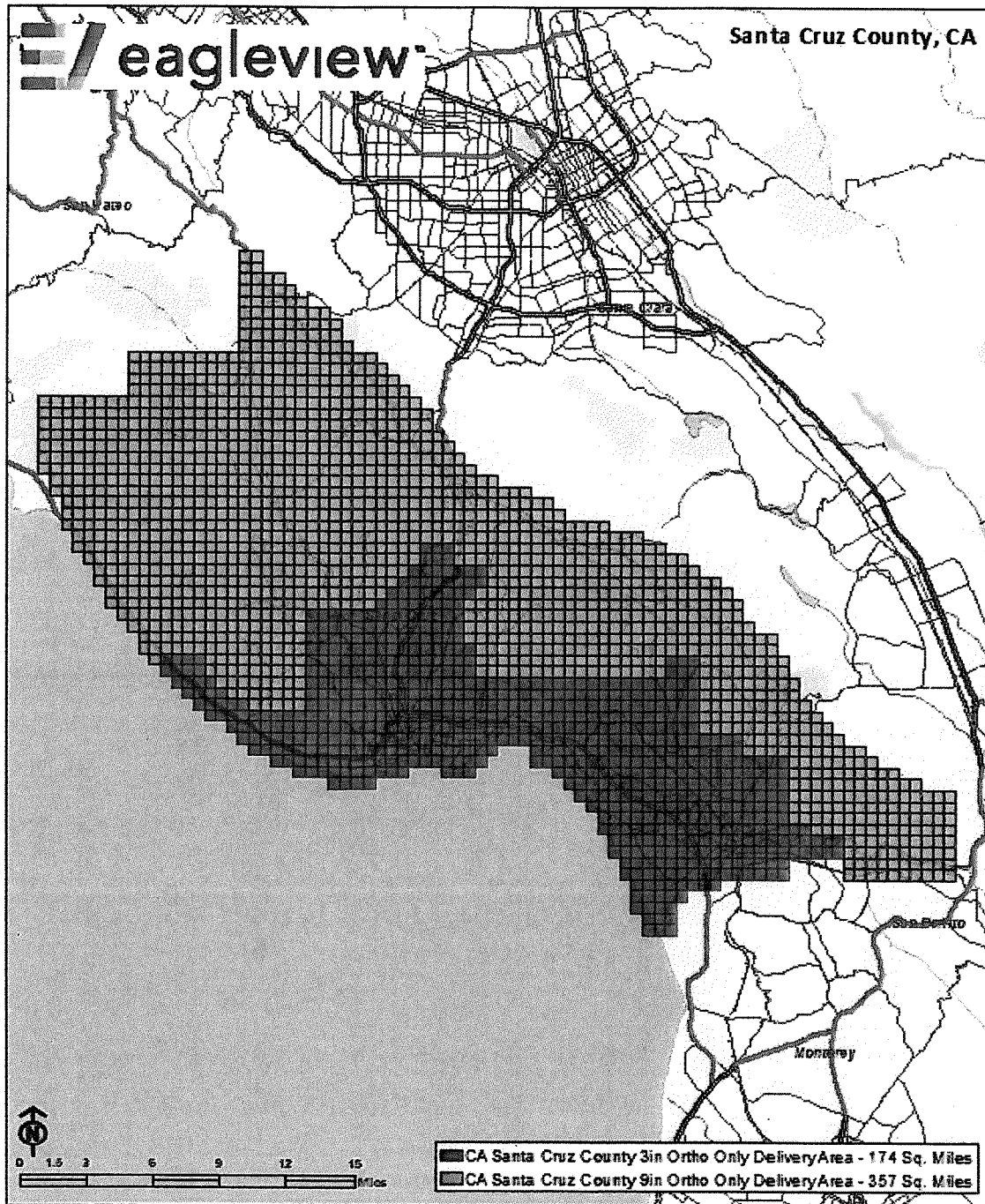
All amounts due to Pictometry pursuant to this Agreement ("Fees") are expressed in United States dollars and do not include any duties, taxes (including, without limitation, any sales, use, ad valorem or withholding, value added or other taxes) or handling fees, all of which are in addition to the amounts shown above and, to the extent applicable to purchases by Customer, shall be paid by Customer to Pictometry without reducing any amount owed to Pictometry unless documents satisfactory to Pictometry evidencing exemption from such taxes is provided to Pictometry prior to billing. To the extent any amounts properly invoiced pursuant to this Agreement are not paid within thirty (30) days following the invoice due date, such unpaid amounts shall accrue, and Customer shall pay, interest at the rate of 1.5% per month (or at the maximum rate allowed by law, if less). In addition, Customer shall pay Pictometry all costs Pictometry incurs in collecting past due amounts due under this Agreement including, but not limited to, attorneys' fees and court costs.

Due at Signing	\$11,834.38
Due at Initial Shipment of Products	\$35,503.12
Due at First Anniversary of Initial Shipment of Products	\$47,337.49
Total Payments	\$94,674.99

PRODUCT PARAMETERS**ACCUPLUS IMAGERY**

Product:	IMAGERY-Color Digital Orthophotography-3in GSD-Industry-Standard Delivery Format-per sq mi
<i>Coverage Area Format:</i>	Shapefile
<i>Leaf:</i>	Leaf Off: Less than 30% leaf cover
 Product:	 IMAGERY-Color Digital Orthophotography-9in GSD-Industry-Standard Delivery Format-per sq mi
<i>Coverage Area Format:</i>	Shapefile
<i>Leaf:</i>	Leaf Off: Less than 30% leaf cover

SECTOR MAP



Report SCZCM1000: County Form ADM-29

29.b

Contract No. 20C4403

Contractor V39418 PICTOMETRY INTERNATIONAL CORP

Type	GN	ICA General			
Manager	PRICE		Security Code	4240	Information Services - Technic
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt		Encumbrance Total
\$60,000.00	\$0.00	\$60,000.00	\$0.00		\$0.00
Administrator POE			CAL Sec ORIG		Original Contract

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the Information Services - Technic and PICTOMETRY INTERNATIONAL CORP.

The agreement will provide Cooperative Aerial Imagery Project

Period of agreement is from 10/22/2019 to 1/1/1000.

Anticipated Cost is \$60,000.00.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qty	Units	Price	Extd Amt
1	2020	GL 424500 - 86204 / JL - Cooperative Aerial Imagery Project	1	EA	\$60,000.00	\$60,000.00

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/15/19 10:39:49	ISD052	Anna Martinez	Contract Initiator	Self-Approved	Accepted
10/15/19 11:08:11	ISD001	Kevin Bowling	Departmental Manager	Appropriations Are Available	Accepted
10/28/19 13:35:49	CAO062	Erich Friedrich	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

 THIS AGREEMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS AS
 CERTIFIED BY THE CLERK OF THE BOARD

Attachment: ADM-29 Pictometry International Corp. 20C4403 (7819 : 2020 Cooperative Aerial Imagery Project)

MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF SANTA CRUZ
AND THE CITY OF CAPITOLA

2020 REGIONAL ORTHOPHOTOGRAPHY PROJECT

THIS AGREEMENT is entered into this ____ day of _____, 2019, by and between the County of Santa Cruz (hereinafter referred to as "COUNTY") and the City of Capitola (hereinafter referred to as "PARTICIPANT").

WITNESS

WHEREAS, COUNTY has entered into a technical services contract dated _____, 2019, with Eagleview (hereinafter referred to as EAGLEVIEW), a technical contractor, to provide technical and professional services related to orthophotography of the County of Santa Cruz region. A copy of the exhibits from the COUNTY/ EAGLEVIEW contract are attached hereto, labeled Attachment "A", and incorporated herein by this reference; and

WHEREAS, PARTICIPANT wishes to obtain orthoimagery (hereinafter referred to as "IMAGERY") for use by PARTICIPANT in its operations.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

A. COUNTY shall provide PARTICIPANT at PARTICIPANT'S request any and all products developed by EAGLEVIEW as defined in Exhibit "A" related to orthophotography of the Santa Cruz County region.

B. Acceptance standards and product specifications will be adhered to as set forth in Attachment A.

C. COUNTY makes no warranties as to accuracy or fitness for use and takes absolutely no responsibility for the function or defective nature of IMAGERY. PARTICIPANT'S payments and other obligations under this Agreement shall in no way be diminished on account or of in any way related to the above said IMAGERY.

2. COMPENSATION

A. Upon execution of this Agreement PARTICIPANT shall pay to COUNTY the not to exceed cost as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

B. In the event COUNTY receives funding from any other PARTICIPANT for materials requested by PARTICIPANT, COUNTY shall, in COUNTY'S sole discretion, reimburse PARTICIPANT it's pro-rata share for the use of the IMAGERY, if any there be.

C. 50 percent of the not to exceed amount of \$1,250.00 (exhibit "B") will be due upon signing and will be invoiced by COUNTY. Remaining actual amount will be billed upon receipt of delivery of orthoimagery data to PARTICIPANT.

3. TERM OF AGREEMENT

A. The term of this agreement shall be from _____, 2019 to June 30, 2021, unless otherwise extended by mutual consent.

4. TERMINATION OF AGREEMENT

A. The right is reserved by COUNTY or PARTICIPANT to terminate or suspend this Agreement with or without cause at any time by giving ten (10) days written notice to the other party.

5. NOTICES

A. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

COUNTY Masahiro Kamei
 Administrative Services Manager
 Information Services Department, County of Santa Cruz
 701 Ocean St, suite 315
 Santa Cruz, Ca, 95060

PARTICIPANT: Larry Laurent
 Assistant to the City Manager, City of Capitola
 420 Capitola Ave
 Capitola, CA 95010

Any and all notices or other communications required or permitted relative to this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to either of the parties, PARTICIPANT or COUNTY, to whom it is directed; or in lieu of such personal services, when deposited in the United States mail, first class, postage prepaid, addressed to PARTICIPANT or to COUNTY at the addresses set forth above (until notice of a different address is given to the parties pursuant to the next paragraph).

Either party may change their address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided for in the preceding paragraph.

6. INDEMNIFICATION/DEFEND/HOLD HARMLESS

A. PARTICIPANT agrees to indemnify, protect, defend and name COUNTY, its public

officials, officers and employees and hold harmless from any loss, damage or liability arising directly from any negligent act or omission by PARTICIPANT. PARTICIPANT shall not be responsible for any loss, damage or liability arising from any act or omission by the COUNTY, its agents, staff, other consultants, independent contractors, third parties or others working on the project that have not been hired by PARTICIPANT and over which PARTICIPANT has no supervision or control.

7. VENUE

A. Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the case shall be handled in Santa Cruz County, California.

8. INTERPRETATION

A. In the event of a conflict between the provisions of this Agreement, the Agreement together with its attachments shall take precedence. Notwithstanding the fact that one or more provisions of this Agreement may have been drafted by one of the parties to this Agreement, such provisions shall be interpreted as though they were a product of a joint drafting effort and no provisions shall be interpreted against a party on the grounds that said party was solely or primarily responsible for drafting the language to be interpreted.

9. SOLE AND ONLY AGREEMENT; MODIFICATION

A. This Agreement constitutes the sole and only agreement between the parties hereto relating to the work described under this Agreement, and correctly sets forth the rights, duties and modification of each to the other as of its date. Any prior agreement, negotiation, or representation not expressly set forth in this Agreement are of not force and effect. Any modification of this Agreement must be in writing and delivered pursuant to the terms of section 5 of this Agreement.

10. THIRD PARTY BENEFICIARIES

A. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

11. SEVERABILITY

A. If any term of this Agreement is held invalid by a court of competent PARTICIPANT or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first hereinabove written.

COUNTY

PARTICIPANT

By: _____

By: Larry Laurent

Title: _____

Title: Assistant to the City Manager



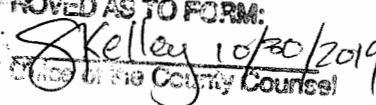
APPROVED AS TO FORM:
By:  10/30/2019
Office of the County Counsel

Exhibit B
APPENDIX

PARTICIPANT

Total Not to Exceed Cost of Area as Defined in APPENDIX

Cost of Tiles:	\$	1,050.00
Cost of QA/QC (10%)	\$	105
Contingency (10%)	\$	105
Total Cost:	\$	1,260.00

MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF SANTA CRUZ AND THE CITY OF SANTA CRUZ

2020 REGIONAL ORTHOPHOTOGRAPHY PROJECT

THIS AGREEMENT is entered into this 5th day of September, 2019, by and between the County of Santa Cruz (hereinafter referred to as "COUNTY") and the City of Santa Cruz (hereinafter referred to as "PARTICIPANT") and collectively referred to as the "Parties".

WITNESSETH

WHEREAS, COUNTY will enter into a technical services contract at a time to be determined with Eagleview (hereinafter referred to as EAGLEVIEW), a technical contractor, to provide technical and professional services related to orthophotography of the County of Santa Cruz region. A copy of the exhibits from the COUNTY/ EAGLEVIEW contract are attached hereto, labeled Attachment "A", and incorporated herein by this reference; and

WHEREAS, PARTICIPANT wishes to obtain ortho-imagery (hereinafter referred to as "IMAGERY") and other products developed by EAGLEVIEW as further described herein, for use by PARTICIPANT in its operations.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

A. COUNTY shall provide PARTICIPANT at PARTICIPANT'S request the IMAGERY and any products developed by EAGLEVIEW as defined in Exhibit "A" related to orthophotography of the Santa Cruz County region.

B. Acceptance standards and product specifications will be adhered to as set forth in the COUNTY/EAGLEVIEW Contract, and as specified in Exhibit A.

C. COUNTY makes no warranties as to the accuracy or fitness for use of the IMAGERY and takes absolutely no responsibility for the function or defective nature of IMAGERY. PARTICIPANT'S payments and other obligations under this Agreement shall in no way be diminished on account of or in any way related to the above said IMAGERY.

2. COMPENSATION

A. Upon execution of this Agreement PARTICIPANT shall pay to COUNTY the not to exceed amount of \$13,230.00 as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

B. In the event COUNTY receives funding from any other participants for materials requested by PARTICIPANT, COUNTY shall, in COUNTY'S sole discretion, reimburse PARTICIPANT it's pro-rata share for the use of the IMAGERY, if any.

C. 50 percent of the not to exceed amount of \$13,230.00 (Exhibit "B") will be due upon signing and will be invoiced by COUNTY. Remaining actual amount will be billed upon receipt of delivery of IMAGERY data to PARTICIPANT.

3. TERM OF AGREEMENT. The term of this agreement shall be from October 01, 2019 to June 30, 2021, unless otherwise extended by mutual consent.

4. TERMINATION OF AGREEMENT

A. The right is reserved by COUNTY or PARTICIPANT to terminate or suspend this Agreement without cause at any time by giving thirty (30) calendar days written notice to the other party.

B. PARTICIPANT or COUNTY may terminate the Agreement for material breach of agreement by providing written notice to the other party not less than ten (10) calendar days prior to an effective termination date.

5. NOTICES

A. All notices, bills, and payments shall be made in writing and delivered through overnight Federal Express or Priority U.S. Mail, and addressed to recipient as follows:

COUNTY Masahiro Kamei
 Administrative Services Manager
 Information Services Department, County of Santa Cruz
 701 Ocean St, suite 315
 Santa Cruz, Ca, 95060

PARTICIPANT: Rich Westfall
 GIS Manager
 City of Santa Cruz

809 Center St, RM 8
Santa Cruz, Ca, 95060

B. Either party may change their address for the purpose of this paragraph by giving written notice of such change to the other party in writing ten (10) business days before the change is effective.

6. INDEMNIFICATION/DEFEND/HOLD HARMLESS. Each party ("Indemnitor") agrees to defend, indemnify, and hold harmless the other party, its respective officials, officers, employees and agents (collectively "Indemnitees") from any and all claims, demands, losses, damages, legal defense costs, liability of any kind or nature (collectively "Claims"), which Indemnitees may sustain or incur or which may be imposed upon it, but only in proportion to and to the extent such Claims result from, arise out of, or in any manner are caused by Indemnitor's negligent or intentional acts or omissions relating to this Agreement. Indemnitor further agrees to waive any rights of subrogation against Indemnitee.

7. VENUE. Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the case shall be handled in Santa Cruz County, California.

8. SOLE AND ONLY AGREEMENT. This Agreement, along with the attached exhibits, constitutes the entire, sole and only agreement between the Parties hereto relating to the work described under this Agreement, and correctly sets forth the rights, duties and modification of each to the other as of its date. Any prior agreement, negotiation, or representation not expressly set forth in this Agreement are of no force and effect.

9. AMENDMENT. This Agreement may not be amended in any respect except by way of a written instrument which expressly references and identifies this particular Agreement, which expressly states that its purpose is to amend this particular Agreement, and which is duly executed by the Parties.

10. THIRD PARTY BENEFICIARIES. Nothing contained in this Agreement shall be construed to create, and the Parties do not intend to create, any rights in third parties.

11. ASSIGNMENT. This Agreement shall not be assigned without first obtaining the express written consent of PARTICIPANT. Neither party may assign this Agreement unless this Agreement is amended in accordance with its terms.

12. SEVERABILITY. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

13. COUNTERPARTS. The Parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which,

together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.

IN WITNESS WHEREOF the Parties have executed this Agreement on the date first hereinabove written.

COUNTY

By: _____
Kevin Bowling
 Director, Information Services

Date: _____

PARTICIPANT

By: Rich Weithall

Date: 9/5/19

APPROVED AS TO FORM:

By: Dana McRae for
Dana McRae
 County Counsel

Date: 10/30/2019

ATTEST:

By: _____
 Clerk of the Board

Date: _____

EXHIBIT A
CONTRACT BETWEEN THE COUNTY AND EAGLEVIEW
(Placeholder)

Attachment: MOU - City Of Santa Cruz (7819 : 2020 Cooperative Aerial Imagery Project)

Exhibit B
SCOPE OF SERVICES

Total Not to Exceed Cost of Area as Defined in APPENDIX

Cost of Tiles:	\$11,025.00
Cost of QA/QC (10%)	\$ 1,102.50
Contingency (10%)	\$ 1,102.50
Total Cost:	\$13,230.00

MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF SANTA CRUZ
AND THE CITY OF SCOTTS VALLEY

2020 REGIONAL ORTHOPHOTOGRAPHY PROJECT

THIS AGREEMENT is entered into this ____ day of _____, 2019, by and between the County of Santa Cruz (hereinafter referred to as "COUNTY") and the City of Scotts Valley (hereinafter referred to as "PARTICIPANT").

WITNESSETH

WHEREAS, COUNTY has entered into a technical services contract dated _____, 2019, with Eagleview (hereinafter referred to as EAGLEVIEW), a technical contractor, to provide technical and professional services related to orthophotography of the County of Santa Cruz region. A copy of the exhibits from the COUNTY/ EAGLEVIEW contract are attached hereto, labeled Attachment "A", and incorporated herein by this reference; and

WHEREAS, PARTICIPANT wishes to obtain orthoimagery (hereinafter referred to as "IMAGERY") for use by PARTICIPANT in its operations.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

A. COUNTY shall provide PARTICIPANT at PARTICIPANT'S request any and all products developed by EAGLEVIEW as defined in Exhibit "A" related to orthophotography of the Santa Cruz County region.

B. Acceptance standards and product specifications will be adhered to as set forth in Attachment A.

C. COUNTY makes no warranties as to accuracy or fitness for use and takes absolutely no responsibility for the function or defective nature of IMAGERY. PARTICIPANT'S payments and other obligations under this Agreement shall in no way be diminished on account or of in any way related to the above said IMAGERY.

2. COMPENSATION

A. Upon execution of this Agreement PARTICIPANT shall pay to COUNTY the not to exceed cost as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

B. In the event COUNTY receives funding from any other PARTICIPANT for materials requested by PARTICIPANT, COUNTY shall, in COUNTY'S sole discretion, reimburse PARTICIPANT it's pro-rata share for the use of the IMAGERY, if any there be.

C. 50 percent of the not to exceed amount of \$3,097.50 (exhibit "B") will be due upon signing and will be invoiced by COUNTY. Remaining actual amount will be billed upon receipt of delivery of orthoimagery data to PARTICIPANT.

3. TERM OF AGREEMENT

A. The term of this agreement shall be from _____, 2019 to June 30, 2021, unless otherwise extended by mutual consent.

4. TERMINATION OF AGREEMENT

A. The right is reserved by COUNTY or PARTICIPANT to terminate or suspend this Agreement with or without cause at any time by giving ten (10) days written notice to the other party.

5. NOTICES

A. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

COUNTY Masahiro Kamei
 Administrative Services Manager
 Information Services Department, County of Santa Cruz
 701 Ocean St, suite 315
 Santa Cruz, Ca, 95060

PARTICIPANT: Taylor Bateman
 Community Development Director
 1 Civic Center Drive
 Scotts Valley, CA 95066

Any and all notices or other communications required or permitted relative to this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to either of the parties, PARTICIPANT or COUNTY, to whom it is directed; or in lieu of such personal services, when deposited in the United States mail, first class, postage prepaid, addressed to PARTICIPANT or to COUNTY at the addresses set forth above (until notice of a different address is given to the parties pursuant to the next paragraph).

Either party may change their address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided for in the preceding paragraph.

6. INDEMNIFICATION/DEFEND/HOLD HARMLESS

A. PARTICIPANT agrees to indemnify, protect, defend and name COUNTY, its public officials, officers and employees and hold harmless from any loss, damage or liability arising directly from any negligent act or omission by PARTICIPANT. PARTICIPANT shall not be responsible for any loss, damage or liability arising from any act or omission by the COUNTY, its agents, staff, other consultants, independent contractors, third parties or others working on the project that have not been hired by PARTICIPANT and over which PARTICIPANT has no supervision or control.

7. VENUE

A. Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the case shall be handled in Santa Cruz County, California.

8. INTERPRETATION

A. In the event of a conflict between the provisions of this Agreement, the Agreement together with its attachments shall take precedence. Notwithstanding the fact that one or more provisions of this Agreement may have been drafted by one of the parties to this Agreement, such provisions shall be interpreted as though they were a product of a joint drafting effort and no provisions shall be interpreted against a party on the grounds that said party was solely or primarily responsible for drafting the language to be interpreted.

9. SOLE AND ONLY AGREEMENT; MODIFICATION

A. This Agreement constitutes the sole and only agreement between the parties hereto relating to the work described under this Agreement, and correctly sets forth the rights, duties and modification of each to the other as of its date. Any prior agreement, negotiation, or representation not expressly set forth in this Agreement are of not force and effect. Any modification of this Agreement must be in writing and delivered pursuant to the terms of section 5 of this Agreement.

10. THIRD PARTY BENEFICIARIES

A. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

11. SEVERABILITY

A. If any term of this Agreement is held invalid by a court of competent PARTICIPANT or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first hereinabove written.

COUNTY

By: _____

Title: _____

PARTICIPANT

By: _____

Title: _____

APPROVED AS TO FORM:

By: SKelly 10/30/2019
City of Scotts Valley Council

Exhibit B
APPENDIX

PARTICIPANT

Total Not to Exceed Cost of Area as Defined in APPENDIX

Cost of Tiles:	\$2,581.25
Cost of QA/QC (10%)	\$ 258.12
Contingency (10%)	\$ 258.13
Total Cost:	\$3,097.50

MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF SANTA CRUZ
AND THE SCOTTS VALLEY WATER DISTRICT

2020 REGIONAL ORTHOPHOTOGRAPHY PROJECT

THIS AGREEMENT is entered into this 21st day of May 2019, by and between the County of Santa Cruz (hereinafter referred to as "COUNTY") and the Scotts Valley Water District (hereinafter referred to as "PARTICIPANT").

WITNESSETH

WHEREAS, COUNTY has entered into a technical services contract dated May 21, 2019, with Eagleview (hereinafter referred to as EAGLEVIEW), a technical contractor, to provide technical and professional services related to orthophotography of the County of Santa Cruz region. A copy of the exhibits from the COUNTY/ EAGLEVIEW contract are attached hereto, labeled Attachment "A", and incorporated herein by this reference; and

WHEREAS, PARTICIPANT wishes to obtain ortho-imagery (hereinafter referred to as "IMAGERY") for use by PARTICIPANT in its operations.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

A. COUNTY shall provide PARTICIPANT at PARTICIPANT'S request any and all products developed by EAGLEVIEW as defined in Exhibit "A" related to orthophotography of the Santa Cruz County region.

B. Acceptance standards and product specifications will be adhered to as set forth in Attachment A.

C. COUNTY makes no warranties as to accuracy or fitness for use and takes no responsibility for the function or defective nature of IMAGERY. PARTICIPANT'S payments and other obligations under this Agreement shall in no way be diminished on account or of in any way related to the above said IMAGERY.

2. COMPENSATION

A. Upon execution of this Agreement PARTICIPANT shall pay to COUNTY the not to exceed cost as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

B. In the event COUNTY receives funding from any other PARTICIPANT for materials requested by PARTICIPANT, COUNTY shall, in COUNTY'S sole discretion, reimburse PARTICIPANT it's pro-rata share for the use of the IMAGERY, if any there be.

C. 50 percent of the not to exceed amount of \$3,097.50 (exhibit "B") will be due upon signing and will be invoiced by COUNTY. Remaining actual amount will be billed upon receipt of delivery of orthoimagery data to PARTICIPANT.

3. TERM OF AGREEMENT

A. The term of this agreement shall be from May 21, 2019 to June 30, 2021, unless otherwise extended by mutual consent.

4. TERMINATION OF AGREEMENT

A. The right is reserved by COUNTY or PARTICIPANT to terminate or suspend this Agreement with or without cause at any time by giving ten (10) days written notice to the other party.

5. NOTICES

A. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

COUNTY Masahiro Kamei, Administrative Services Manager
Information Services Department, County of Santa Cruz
701 Ocean St, suite 315
Santa Cruz, Ca, 95060

PARTICIPANT: David McNair, Operations Manager
Scotts Valley Water District
2 Civic Center Drive
Scotts Valley, CA 95066

Any and all notices or other communications required or permitted relative to this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to either of the parties, PARTICIPANT or COUNTY, to whom it is directed; or in lieu of such personal services, when deposited in the United States mail, first class, postage prepaid, addressed to PARTICIPANT or to COUNTY at the addresses set forth above (until notice of a different address is given to the parties pursuant to the next paragraph).

Either party may change their address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided for in the preceding paragraph.

6. INDEMNIFICATION/DEFEND/HOLD HARMLESS

A. PARTICIPANT agrees to indemnify, protect, defend and name COUNTY, its public officials, officers and employees and hold harmless from any loss, damage or liability arising directly from any negligent act or omission by PARTICIPANT. PARTICIPANT shall not be responsible for

any loss, damage or liability arising from any act or omission by the COUNTY, its agents, staff, other consultants, independent contractors, third parties or others working on the project that have not been hired by PARTICIPANT and over which PARTICIPANT has no supervision or control.

7. VENUE

A. Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the case shall be handled in Santa Cruz County, California.

8. INTERPRETATION

A. In the event of a conflict between the provisions of this Agreement, the Agreement together with its attachments shall take precedence. Notwithstanding the fact that one or more provisions of this Agreement may have been drafted by one of the parties to this Agreement, such provisions shall be interpreted as though they were a product of a joint drafting effort and no provisions shall be interpreted against a party on the grounds that said party was solely or primarily responsible for drafting the language to be interpreted.

9. SOLE AND ONLY AGREEMENT; MODIFICATION

A. This Agreement constitutes the sole and only agreement between the parties hereto relating to the work described under this Agreement, and correctly sets forth the rights, duties and modification of each to the other as of its date. Any prior agreement, negotiation, or representation not expressly set forth in this Agreement are of not force and effect. Any modification of this Agreement must be in writing and delivered pursuant to the terms of section 5 of this Agreement.

10. THIRD PARTY BENEFICIARIES

A. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

11. SEVERABILITY

A. If any term of this Agreement is held invalid by a court of competent PARTICIPANT or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first hereinabove written.

COUNTY

By: _____

Title: _____

PARTICIPANT

By: Prestharman

Title: General Manager

APPROVED AS TO FORM:

By: Kelley 10/30/2019
Chair of the County CouncilExhibit B
APPENDIX

PARTICIPANT

Total Not to Exceed Cost of Area as Defined in APPENDIX

Cost of Tiles:	\$2,581.25
Cost of QA/QC (10%)	\$ 258.12
Contingency (10%)	\$ 258.13
Total Cost:	\$3,097.50

MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF SANTA CRUZ
AND THE SOQUEL CREEK WATER DISTRICT

2020 REGIONAL ORTHOPHOTOGRAPHY PROJECT

THIS AGREEMENT is entered into this ____ day of ____, 2019, by and between the County of Santa Cruz (hereinafter referred to as "COUNTY") and the Soquel Creek Water District (hereinafter referred to as "PARTICIPANT").

WITNESSETH

WHEREAS, COUNTY has entered into a technical services contract dated ____, 2019, with Eagleview (hereinafter referred to as EAGLEVIEW), a technical contractor, to provide technical and professional services related to orthophotography of the County of Santa Cruz region. A copy of the exhibits from the COUNTY/ EAGLEVIEW contract are attached hereto, labeled Attachment "A", and incorporated herein by this reference; and

WHEREAS, PARTICIPANT wishes to obtain orthoimagery (hereinafter referred to as "IMAGERY") for use by PARTICIPANT in its operations.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

A. COUNTY shall provide PARTICIPANT at PARTICIPANT'S request any and all products developed by EAGLEVIEW as defined in Exhibit "A" related to orthophotography of the Santa Cruz County region.

B. Acceptance standards and product specifications will be adhered to as set forth in Attachment A.

C. COUNTY makes no warranties as to accuracy or fitness for use and takes absolutely no responsibility for the function or defective nature of IMAGERY. PARTICIPANT'S payments and other obligations under this Agreement shall in no way be diminished on account or of in any way related to the above said IMAGERY.

2. COMPENSATION

A. Upon execution of this Agreement PARTICIPANT shall pay to COUNTY the not to exceed cost as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

B. In the event COUNTY receives funding from any other PARTICIPANT for materials requested by PARTICIPANT, COUNTY shall, in COUNTY'S sole discretion, reimburse PARTICIPANT it's pro-rata share for the use of the IMAGERY, if any there be.

C. 50 percent of the not to exceed amount of \$8,020.00 (exhibit "B") will be due upon signing and will be invoiced by COUNTY. Remaining actual amount will be billed upon receipt of delivery of orthoimagery data to PARTICIPANT.

3. TERM OF AGREEMENT

A. The term of this agreement shall be from _____, 2019 to June 30, 2021, unless otherwise extended by mutual consent.

4. TERMINATION OF AGREEMENT

A. The right is reserved by COUNTY or PARTICIPANT to terminate or suspend this Agreement with or without cause at any time by giving ten (10) days written notice to the other party.

5. NOTICES

A. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

COUNTY Masahiro Kamei
 Administrative Services Manager
 Information Services Department, County of Santa Cruz
 701 Ocean St, suite 315
 Santa Cruz, Ca, 95060

PARTICIPANT: Taj A. Dufour, P.E.
 Engineering Manager/Chief Engineer
 Soquel Creek Water District
 5180 Soquel Dr.
 Soquel CA 95073

Any and all notices or other communications required or permitted relative to this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to either of the parties, PARTICIPANT or COUNTY, to whom it is directed; or in lieu of such personal services, when deposited in the United States mail, first class, postage prepaid, addressed to PARTICIPANT or to COUNTY at the addresses set forth above (until notice of a different address is given to the parties pursuant to the next paragraph).

Either party may change their address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided for in the preceding paragraph.

6. INDEMNIFICATION/DEFEND/HOLD HARMLESS

A. PARTICIPANT agrees to indemnify, protect, defend and name COUNTY, its public

officials, officers and employees and hold harmless from any loss, damage or liability arising directly from any negligent act or omission by PARTICIPANT. PARTICIPANT shall not be responsible for any loss, damage or liability arising from any act or omission by the COUNTY, its agents, staff, other consultants, independent contractors, third parties or others working on the project that have not been hired by PARTICIPANT and over which PARTICIPANT has no supervision or control.

7. VENUE

A. Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the case shall be handled in Santa Cruz County, California.

8. INTERPRETATION

A. In the event of a conflict between the provisions of this Agreement, the Agreement together with its attachments shall take precedence. Notwithstanding the fact that one or more provisions of this Agreement may have been drafted by one of the parties to this Agreement, such provisions shall be interpreted as though they were a product of a joint drafting effort and no provisions shall be interpreted against a party on the grounds that said party was solely or primarily responsible for drafting the language to be interpreted.

9. SOLE AND ONLY AGREEMENT; MODIFICATION

A. This Agreement constitutes the sole and only agreement between the parties hereto relating to the work described under this Agreement, and correctly sets forth the rights, duties and modification of each to the other as of its date. Any prior agreement, negotiation, or representation not expressly set forth in this Agreement are of not force and effect. Any modification of this Agreement must be in writing and delivered pursuant to the terms of section 5 of this Agreement.

10. THIRD PARTY BENEFICIARIES

A. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.

11. SEVERABILITY

A. If any term of this Agreement is held invalid by a court of competent PARTICIPANT or arbitrator the remainder of this Agreement shall remain in effect.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first hereinabove written.

COUNTY _____

By: _____

Title: _____

PARTICIPANT

By: Taj A. Dufour

Taj A. Dufour, P.E.

Title: Engineering Manager/Chief Engineer

APPROVED AS TO FORM:

By: [Signature] 10/30/2019

Exhibit B

APPENDIX

PARTICIPANT

Total Not to Exceed Cost of Area as Defined in APPENDIX

Cost of Tiles:	\$7,350.00
Cost of QA/QC (10%)	\$ 735.00
Contingency (10%)	\$ 735.00
Total Cost:	\$8,820.00

Exhibit A

**Budget Proposal**

Proposal for: Santa Cruz County, CA
Project Name: CDO Imagery
Quote Number: Q-38724
Contract Term: 2 Year(s)
Number of Projects: 1

EagleView Rep: David Peck
Phone Number:
Email: david.peck@eagleview.com
Expiration Date: 4/25/2019
Targeted Capture: 2020-c-Summer

Single Project Summary

1 Project over 2 year(s)

CDO Total: \$94,675.00

Annual Payments: \$47,337.50

This quote is non-binding, creates no legal rights, duties or obligations, expressed or implied, on either party, and shall become binding only in the event that Pictometry and Customer enter into a definitive agreement incorporating it. The pricing quoted above does not reflect applicable taxes, which will be reflected in any resulting definitive agreement with Customer. This quote is valid until the date shown above, after which it expires. All Discounts are approximate.

Page 1 of 3

Attachment: MOU - Soquel Creek Water District (7819 : 2020 Cooperative Aerial Imagery Project)

EXHIBIT A



Budget Proposal

Proposal for: Santa Cruz County, CA
 Project Name: CDO Imagery
 Contract Term: 2 Year(s)
 Number of Projects: 1

EagleView Rep: David Peck
 Expiration Date: 4/25/2019
 Targeted Capture: 2020-c-Summer

CDO

Qty	Product	List Price	Discount (%)	Subtotal
174	IMAGERY-Color Digital Orthophotography-3in GSD-Industry-Standard Delivery Format-per sq mi	\$350.00		\$60,900.00
357	IMAGERY-Color Digital Orthophotography-9in GSD-Industry-Standard Delivery Format-per sq mi	\$75.00		\$26,775.00
2	CONNECT Gov 50 Package	\$3,500.00		\$7,000.00
2	Pictometry Connect - CA - 50	\$2,200.00	100	\$0.00
2	Pictometry Connect View - CA	\$750.00	100	\$0.00
2	CONNECT ImageService CA	\$2,000.00	100	\$0.00
1	Integrated Pictometry Application	\$1,990.00	100	\$0.00
1	Pictometry for Esri Web AppBuilder	\$1,990.00	100	\$0.00
1	Media Drive Capacity 931G - Drive Model 1T - EXTPower	\$199.00	100	\$0.00
1	RapidAccess - Disaster Response Program	\$0.00		\$0.00
1	AccuPlus Imagery Bundle with Two (2) Years of EFS Maintenance & Support	\$0.00		\$0.00
CDO TOTAL:				\$94,675.00

TOTAL: \$94,675.00

This quote is non-binding, creates no legal rights, duties or obligations, expressed or implied, on either party, and shall become binding only in the event that Pictometry and Customer enter into a definitive agreement incorporating it. The pricing quoted above does not reflect applicable taxes, which will be reflected in any resulting definitive agreement with Customer. This quote is valid until the date shown above, after which it expires. All Discounts are approximate.

Page 2 of 3

Attachment: MOU - Soquel Creek Water District (7819 : 2020 Cooperative Aerial Imagery Project)

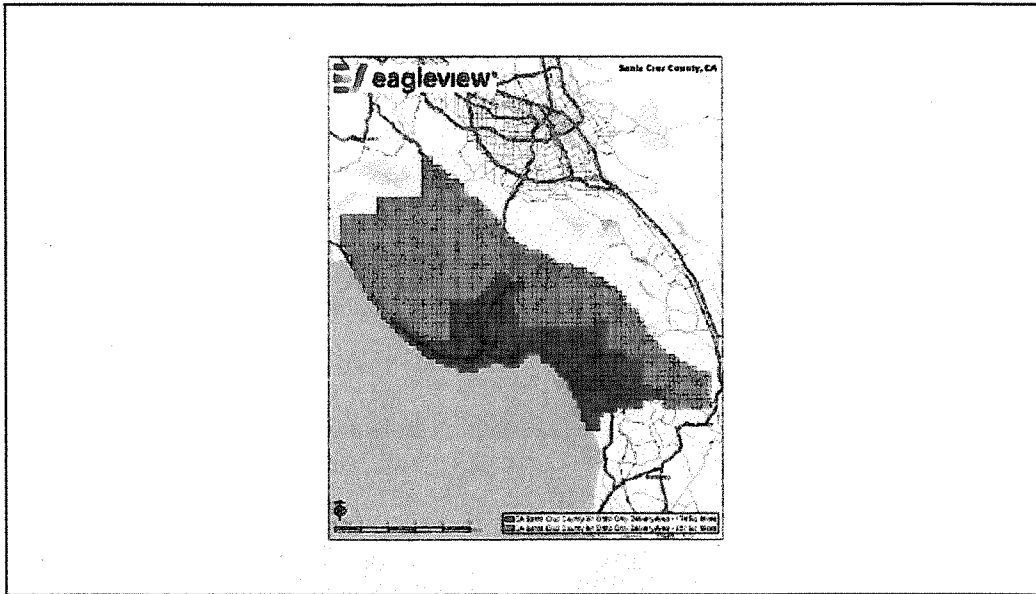
Exhibit A



Coverage Map

Proposal for: Santa Cruz County, CA
 Project Name: CDO Imagery
 Contract Term: 2 Year(s)
 Number of Projects: 1

EagleView Rep: David Peck
 Expiration Date: 4/25/2019
 Targeted Capture: 2020-c-Summer



This quote is non-binding, creates no legal rights, duties or obligations, expressed or implied, on either party, and shall become binding only in the event that Pictometry and Customer enter into a definitive agreement incorporating it. The pricing quoted above does not reflect applicable taxes, which will be reflected in any resulting definitive agreement with Customer. This quote is valid until the date shown above, after which it expires. All Discounts are approximate.

Page 3 of 3








Attachment: MOU - Soquel Creek Water District (7819 : 2020 Cooperative Aerial Imagery Project)

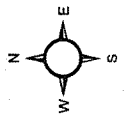
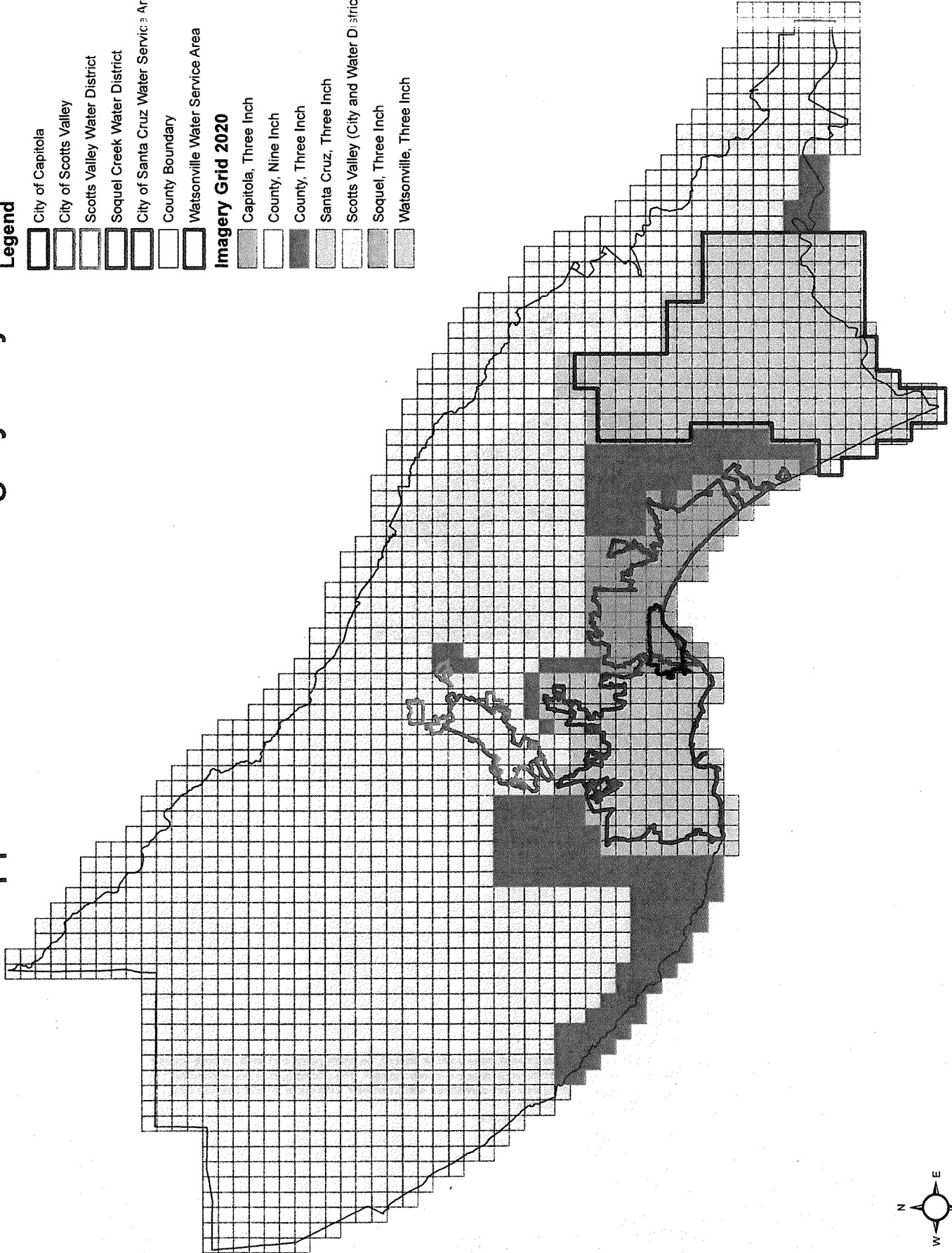
Appendix - 2020 Imagery Project

Legend

-  City of Capitola
-  City of Scotts Valley
-  Scotts Valley Water District
-  Soquel Creek Water District
-  City of Santa Cruz Water Service Areas
-  County Boundary
-  Watsonville Water Service Area

Imagery Grid 2020

-  Capitola, Three Inch
-  County, Nine Inch
-  County, Three Inch
-  Santa Cruz, Three Inch
-  Scotts Valley (City and Water District), Three Inch
-  Soquel, Three Inch
-  Watsonville, Three Inch



MEMORANDUM OF UNDERSTANDING BETWEEN THE
COUNTY OF SANTA CRUZ AND THE CITY OF WATSONVILLE

2020 REGIONAL ORTHOPHOTOGRAPHY PROJECT

THIS AGREEMENT is entered into this _____ day of _____, 2019, by and between the County of Santa Cruz (hereinafter referred to as "COUNTY") and the City of Watsonville (hereinafter referred to as "PARTICIPANT").

WITNESSETH

WHEREAS, COUNTY will enter into a technical services contract at a time to be determined with Eagleview (hereinafter referred to as EAGLEVIEW), a technical contractor, to provide technical and professional services related to orthophotography of the County of Santa Cruz region. A copy of the exhibits from the COUNTY/ EAGLEVIEW contract are attached hereto, labeled Attachment "A", and incorporated herein by this reference; and

WHEREAS, PARTICIPANT wishes to obtain ortho-imagery (hereinafter referred to as "IMAGERY") for use by PARTICIPANT in its operations.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. SCOPE OF SERVICES

A. COUNTY shall provide PARTICIPANT at PARTICIPANT'S request any and all products developed by EAGLEVIEW as defined in Exhibit "A" related to orthophotography of the Santa Cruz County region.

B. Acceptance standards and product specifications will be adhered to as set forth in Exhibit A.

C. COUNTY makes no warranties as to accuracy or fitness for use and takes absolutely no responsibility for the function or defective nature of IMAGERY. PARTICIPANT'S payments and other obligations under this Agreement shall in no way be diminished on account or of in any way related to the above said IMAGERY.

2. COMPENSATION

A. Upon execution of this Agreement PARTICIPANT shall pay to COUNTY the not to exceed cost as set forth in Exhibit "B" attached hereto and incorporated herein by this reference.

B. In the event COUNTY receives funding from any other PARTICIPANT for materials requested by PARTICIPANT, COUNTY shall, in COUNTY'S sole discretion, reimburse PARTICIPANT its pro-rata share for the use of the IMAGERY, if any.

C. 50 percent of the not to exceed amount of \$24,360.00 (exhibit "B") will be due upon signing and will be invoiced by COUNTY. Remaining actual amount will be billed upon receipt of delivery of IMAGERY data to PARTICIPANT.

3. TERM OF AGREEMENT. The term of this agreement shall be from October 01, 2019 to June 30, 2021, unless otherwise extended by mutual consent.

4. TERMINATION OF AGREEMENT. The right is reserved by COUNTY or PARTICIPANT to terminate or suspend this Agreement with or without cause at any time by giving ten (10) days written notice to the other party.

5. NOTICES

A. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

COUNTY Masahiro Kamei
 Administrative Services Manager
 Information Services Department, County of Santa Cruz
 701 Ocean St, suite 315
 Santa Cruz, Ca, 95060

PARTICIPANT: City Clerk
 City of Watsonville
 275 Main St., Ste 400
 Watsonville CA 95076

B. Any and all notices or other communications required or permitted relative to this Agreement shall be in writing and shall be deemed duly served and given when personally delivered to either of the parties, PARTICIPANT or COUNTY, to whom it is directed; or in lieu of such personal services, when deposited in the United States mail, first class, postage prepaid, addressed to PARTICIPANT or to COUNTY at the

addresses set forth above (until notice of a different address is given to the parties pursuant to the next paragraph).

C. Either party may change their address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided for in the preceding paragraph.

6. INDEMNIFICATION/DEFEND/HOLD HARMLESS. PARTICIPANT agrees to indemnify, protect, defend and name COUNTY, its public officials, officers and employees and hold harmless from any loss, damage or liability arising directly from any negligent act or omission by PARTICIPANT. PARTICIPANT shall not be responsible for any loss, damage or liability arising from any act or omission by the COUNTY, its agents, staff, other consultants, independent contractors, third parties or others working on the project that have not been hired by PARTICIPANT and over which PARTICIPANT has no supervision or control.

7. VENUE. Should either party to this Agreement bring legal action against the other (formal judicial proceeding, mediation or arbitration) the case shall be handled in Santa Cruz County, California.

8. INTERPRETATION. This Agreement and any attached exhibits, as signed by the parties hereto, constitute the entire agreement between COUNTY and PARTICIPANT; no prior written promises, and no prior, contemporaneous or subsequent, oral promises or representations shall be binding. This Agreement shall not be amended or changed except by written instrument signed by the parties hereto. Section captions herein are for convenience only and neither limit nor amplify the provisions of this instrument. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of said COUNTY and PARTICIPANT. This Agreement shall not be effective or binding on any party until fully executed by both parties hereto.

9. SOLE AND ONLY AGREEMENT; MODIFICATION. This Agreement, together with all Exhibits and other attachment, constitutes the sole and only agreement between the parties hereto relating to the work described under this Agreement, and correctly sets forth the rights, duties and modification of each to the other as of its date. Any prior agreement, negotiation, or representation not expressly set forth in this Agreement are of not force and effect. Any modification of this Agreement must be in writing and delivered pursuant to the terms of section 5 of this Agreement.

10. THIRD PARTY BENEFICIARIES. Nothing contained in this Agreement shall be construed to create, and the parties do not intend to create, any rights in third parties.


11. SEVERABILITY. If any term of this Agreement is held invalid by a court of competent jurisdiction the remainder of this Agreement shall remain in effect.

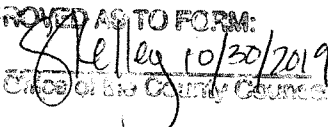
IN WITNESS WHEREOF the parties have executed this Agreement on the date first hereinabove written.

COUNTY

PARTICIPANT (CITY OF WATSONVILLE)

By: _____
 Kevin Bowling
 Director, Information Services

By: 
 Matthew D. Huffaker, City Manager

APPROVED AS TO FORM:
 By:  10/30/2019
 Clerk of the County Council

ATTEST

By: 
 Beatriz Vasquez Flores, City Clerk

APPROVED AS TO FORM:

By: 
 Alan J. Smith, City Attorney

EXHIBIT A
CONTRACT BETWEEN THE COUNTY AND EAGLEVIEW
(PLACEHOLDER)

Exhibit A



Budget Proposal

Proposal for: Santa Cruz County, CA
 Project Name: CDO Imagery
 Quote Number: Q-38724
 Contract Term: 2 Year(s)
 Number of Projects: 1

EagleView Rep: David Peck
 Phone Number:
 Email: david.peck@eagleview.com
 Expiration Date: 4/25/2019
 Targeted Capture: 2020-c-Summer

Single Project Summary

1 Project over 2 year(s)

CDO Total: \$94,675.00

Annual Payments: \$47,337.50

This quote is non-binding, creates no legal rights, duties or obligations, expressed or implied, on either party, and shall become binding only in the event that EagleView and Customer enter into a definitive agreement incorporating it. The pricing quoted above does not reflect applicable taxes, which will be reflected in any resulting definitive agreement with Customer. This quote is valid until the date shown above, after which it expires. All Discounts are approximate.

Page 1 of 3

Attachment: MOU - City of Watsonville (7819 : 2020 Cooperative Aerial Imagery Project)

Exhibit A



Budget Proposal

Proposal for: Santa Cruz County, CA
 Project Name: CDO Imagery
 Contract Term: 2 Year(s)
 Number of Projects: 1

EagleView Rep: David Peck
 Expiration Date: 4/25/2019
 Targeted Capture: 2020-c-Summer

CDO

Qty	Product	List Price	Discount (%)	Subtotal
174	IMAGERY-Color Digital Orthophotography-3in GSD-Industry-Standard Delivery Format-per sq mi	\$350.00		\$60,900.00
357	IMAGERY-Color Digital Orthophotography-9in GSD-Industry-Standard Delivery Format-per sq mi	\$75.00		\$26,775.00
2	CONNECT Gov 50 Package	\$3,500.00		\$7,000.00
2	Pictometry Connect - CA - 50	\$2,200.00	100	\$0.00
2	Pictometry Connect View - CA	\$750.00	100	\$0.00
2	CONNECT ImageService CA	\$2,000.00	100	\$0.00
1	Integrated Pictometry Application	\$1,990.00	100	\$0.00
1	Pictometry for Esri Web AppBuilder	\$1,990.00	100	\$0.00
1	Media Drive Capacity 931G - Drive Model 1T - EXTPOWER	\$199.00	100	\$0.00
1	RapidAccess - Disaster Response Program	\$0.00		\$0.00
1	AccuPlus Imagery Bundle with Two (2) Years of EFS Maintenance & Support	\$0.00		\$0.00
CDO TOTAL:				\$94,675.00

TOTAL: \$94,675.00

This quote is non-binding, creates no legal rights, duties or obligations, expressed or implied, on either party, and shall become binding only in the event that Pictometry and Customer enter into a definitive agreement incorporating it. The pricing quoted above does not reflect applicable taxes, which will be reflected in any resulting definitive agreement with Customer. This quote is valid until the date shown above, after which it expires. All Discounts are approximate.

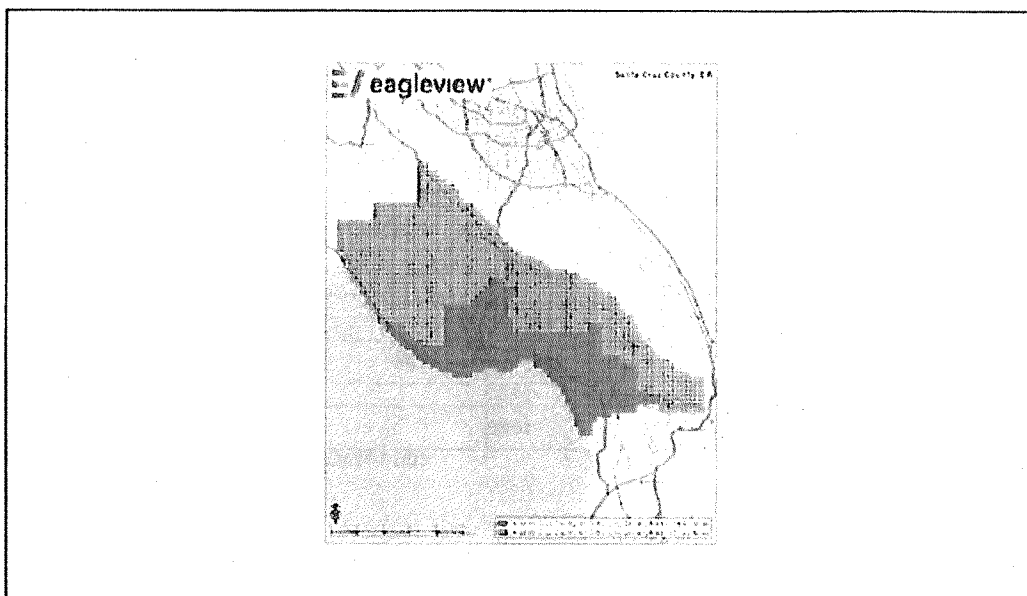
EXHIBIT A



Coverage Map

Proposal for: Santa Cruz County, CA
 Project Name: CDO Imagery
 Contract Term: 2 Year(s)
 Number of Projects: 1

EagleView Rep: David Peck
 Expiration Date: 4/25/2019
 Targeted Capture: 2020-e-Summer










This quote is non-binding, creates no legal rights, duties or obligations, expressed or implied, on either party, and shall become binding only in the event that Pictometry and Customer enter into a definitive agreement incorporating it. The pricing quoted above does not reflect applicable taxes, which will be reflected in any resulting definitive agreement with Customer. This quote is valid until the date shown above, after which it expires. All Discounts are approximate.








Page 3 of 3

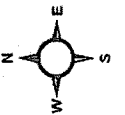
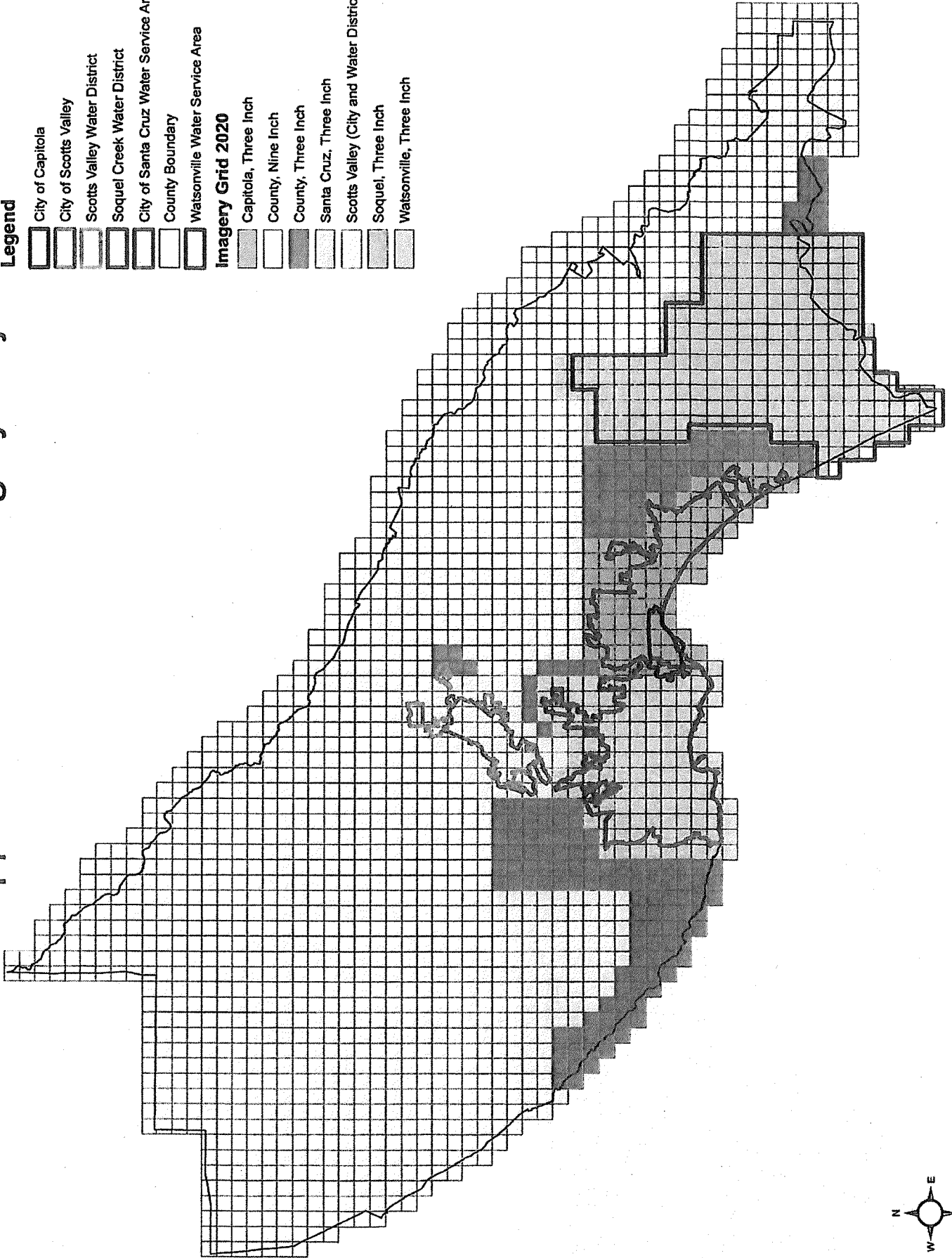
Appendix - 2020 Imagery Project

Legend

-  City of Capitola
-  City of Scotts Valley
-  Scotts Valley Water District
-  Soquel Creek Water District
-  City of Santa Cruz Water Service Areas
-  County Boundary
-  Watsonville Water Service Area

Imagery Grid 2020

-  Capitola, Three Inch
-  County, Nine Inch
-  County, Three Inch
-  Santa Cruz, Three Inch
-  Scotts Valley (City and Water District), Three Inch
-  Soquel, Three Inch
-  Watsonville, Three Inch



Agency	Number of 3" 1/4 Mile Tiles	Imagery Cost	20% for Taxes and Possible QA/QC	Pictometry Connect	Recommended Not to Exceed Amount
City of Capitola	12	\$1,050.00	\$210.00		\$1,260.00
County of Santa Cruz	183 + (1,425 - 9")	\$42,787.50	\$8,557.50	\$7,000.00	\$58,345.00
City of Santa Cruz	126	\$11,025.00	\$2,205.00		\$13,230.00
City of Scotts Valley / SVWD	59	\$5,162.50	\$1,032.50		\$6,195.00
Soquel Creek Water District	84	\$7,350.00	\$1,470.00		\$8,820.00
City of Watsonville	232	\$20,300.00	\$4,060.00		\$24,360.00
		\$87,675.00			\$112,210.00

Notes: Tiles are 1/4 mile each
Price per square mile 3" = \$350
Price per square mile 9" = \$75

EXHIBIT B
SCOPE OF SERVICES

Cost of Tiles:	\$20,300.00
Cost of QA/QC (10%)	\$ 2,030.00
Contingency (10%)	\$ 2,030.00
Total Cost:	\$24,360.00

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

Resolution No. _____

On the motion of Supervisor _____

Duly seconded by Supervisor _____

The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$26,993, from Municipalities, for the Cooperative Aerial Imagery Project program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$26,993 for use by the Information Services Department for the Cooperative Aerial Imagery Project program.

<u>GL Key</u>	<u>Revenue Object</u>	<u>JL Key</u>	<u>JL Object</u>	<u>Acct Name</u>	<u>Amount</u>
424500	42384			OTHER REVENUE	\$26,993

and that such funds be and are hereby appointed as follows:

<u>GL Key</u>	<u>Expenditure Object</u>	<u>JL Key</u>	<u>JL Object</u>	<u>Acct Name</u>	<u>Amount</u>
424500	86204			EQUIPMENT	\$ 26,993

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 20__ by the following vote (requires four-fifths vote for approval):

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSENT: SUPERVISORS _____

Chair of the Board

ATTEST:

Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been)(will be)received within the current fiscal year.

By: *[Signature]*
Department Head

Date: 10/7/2019

COUNTY ADMINISTRATIVE OFFICER

/X / Recommended to Board

/ / Not recommended to Board

APPROVED AS TO FORM:

[Signature]
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

[Signature]
Auditor-Controller-Treasurer-Tax Collector
424500(42384/B6204)

Distribution:

Auditor-Controller-Treasurer-Tax Collector
County Counsel
County Administrative Officer
Originating Department



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Information Services Department

(831) 454-2030

Subject: Approve Transfer of Funds from the Technology Fund

Meeting Date: November 5, 2019

Recommended Action(s):

Approve the transfer of funds in the amount of \$400,000 from the Technology Fund to Information Services for the purchase of technology items including communication and computer equipment.

Executive Summary

The Information Services Department (ISD) recommends transferring funds from the Technology Fund to ISD for purchasing replacement radios for the Sheriff's Office and District Attorney's Office, as well as replacement PCs for applicable departments throughout the County government.

Background

The Technology Fund was established to enable the County to set aside appropriated funds to support technology purchases on a one-time basis. Previously the Technology Fund has been used to assist in funding the District Attorney's case management system, the Probation Department's case management system, the Sheriff's Office jail and records system, and the Treasurer/Tax Collector's Property Tax System.

In Fiscal Year (FY) 2018-19, ISD began the first of three rounds of public safety radio equipment inventory replacements. As a part of the FY 2019-20 Adopted Budget, the Board approved \$400,000 in the Technology Fund for the second round of public safety radio inventory replacements and Elections equipment.

Analysis

There are currently 959 public safety radios used across eight County departments with the Sheriff's Office representing nearly two-thirds of the combined inventory. The requested funding will, in effect, achieve the life cycle replacement for second of three rounds of inventory that is in the worst material condition, is no longer supported by the vendors, and which cannot be maintained or repaired. Without conducting this round of replacements, it is very likely to adversely affect operational readiness for organizations relying on County-issued radios as well as the public, which relies on various County-provided public safety services.

Elections needs PCs, printers, and network connectivity for the new vote centers that will be added next year. This will allow ballots to be printed on demand at the vote centers.

Given that the funding source is a special County-level allocation, no inter-departmental chargebacks will be placed for any equipment funded through the Technology Fund. ISD recommends the transfer of funds for the following expenditures:

Public Safety Radios	\$380,000
PCs, Printers and Connectivity Equipment	\$20,000
Total	\$400,000

Financial Impact

The Technology Fund was established during the FY 2018-19 budget process. The recommended action transfers funds to the Internal Service Fund to purchase hardware for IT infrastructure.

Strategic Plan Element(s)

6.C (Operational Excellence: County Infrastructure) - All of these purchases are being used to replace aging equipment as well as supporting ongoing needs in County departments.

Submitted by:

Kevin Bowling, Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

a AUD 74 Tech Fund Transfer

OCT 30 2019

COUNTY OF SANTA CRUZ
REQUEST FOR TRANSFER OR REVISION
OF BUDGET APPROPRIATIONS AND / OR FUNDS

County Administrative Office

Department: Technology Fund

Date:

November 5, 2019

Fund No. 10XXX GENERAL FUND

TO: Board of Supervisors

Requires 4/5 vote: YES

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending - June 30, 2020

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT		

Batch #	
Date	Keyed By:

		GL KEY	OBJECT	JL CODE	Amount	Account Description
TRANSFER	To	431000	62226		\$ 380,000	Inventoriable Items
		190500	90000		\$ 20,000	Operating Transfer Out
	From	431000	95225		\$ 380,000	Intra-Fund Transfer-Other
		190500	95225		\$ 20,000	Intra-Fund Transfer-Other

Explanation: 1. To establish appropriation within the Radio Shop to purchase Radios funded by the Tech fund.

2. To realign budget within and from the General Fund Technology Budget #190500 and set up an Operating Transfer Out appropriation, to provide funds to the Information Service Department Internal Service Fund, for Technology purchases on behalf of County Departments for FY 19-20.

(See companion AUD74 for Fund 60100)

Name XTitle County Administrative Office

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

Auditor-Controller, by Morice Timbain Deputy Date 10/30/19Administrative Officer's Action: (☒) Recommended to Board (☒) Approved () Not Recommended or Approved

Administrative Officer

Date 10-31-19

State of California }

ss.

County of Santa Cruz

As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on

20_____,

By _____, Deputy Clerk

(A-C) * Decs: _____

Item _____ - Budget Transfer

A-C Review

BRD. NAME

AGENDA DATE

Item No.

Distribution:

White-Board of Supervisors

Green-County Administrative Officer

Goldenrod-Departmental Control Copy

Yellow-Auditor-Controller

Pink-Originating Department

AUD74 (Rev 2016)

COUNTY OF SANTA CRUZ
REQUEST FOR TRANSFER OR REVISION
OF BUDGET APPROPRIATIONS AND / OR FUNDS

Department: Information Services
Fund No. 60100 INFORMATION SERVICES ISF
TO: Board of Supervisors
Requires 4/5 vote: YES

Date: November 5, 2019

I hereby request your approval of the following transfer of budget appropriations and/or funds in the fiscal year ending - June 30, 2020

AUDITORS USE ONLY			
DOCUMENT #	AMOUNT		

Batch #	
Date	Keyed By:

			GL KEY	OBJECT	JL CODE	Amount	Account Description
			424400	42462		\$ 20,000	Operating Transfer In
TRANSFER	TO						
	FOR		424400	62226		\$ 20,000	Inventoriable Items

Explanation: To budget for the Operating Transfer In (revenue) into the Information Services Department Internal Service Fund 60100 (from the General Fund), and appropriate the funds for technology purchases on behalf of County Departments for FY19-20.

(See companion AUD74 for the General Fund)

Name X K L Bowley Title Information Services Director

Auditor-Controller's Action: I hereby certify that unencumbered balance(s) is/are available in the appropriations/funds and in the amounts indicated above.

424400/42462, 62226
Auditor-Controller, by Monice Zunhein Deputy Date 10/25/19

Administrative Officer's Action: (X) Recommended to Board (X) Approved () Not Recommended or Approved

Administrative Officer E. J. Fier Date 10/24/19

State of California } ss. As the Clerk of the Board of Supervisors of the County of Santa Cruz, I do hereby certify that the foregoing request for transfer was approved by said Board of Supervisors as recommended by the County Administrative Officer by an order duly entered in the minutes of said Board on

County of Santa Cruz
_____, 20____, By _____, Deputy Clerk

(A-C) * Decs: _____ Item _____ - Budget Transfer

A-C Review		

Distribution:
White-Board of Supervisors
Yellow-Auditor-Controller
Green-County Administrative Officer
Pink-Originating Department

Goldenrod-Departmental Control Copy

AUD74 (Rev 2016)

Attachment: AUD 74 Tech Fund Transfer (7917 : Approve Transfer of Funds from the Technology Fund)



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: John Leopold, First District Supervisor
(831) 454-2200

Subject: First District Appointment to the Equal Employment Opportunity Commission

Meeting Date: November 5, 2019

Recommended Action(s):

Approve appointment of Patrick Garcia to the Equal Employment Opportunity commission, in accordance with County Code Section 2.40.030, for a term to expire April 1, 2021.

Executive Summary

Approve appointment to fill a supervisorial district appointee position for the Equal Employment Opportunity Commission, for a term to expire April 1, 2021.

Background

Based on the applications received, Patrick Garcia has been nominated to serve as a supervisorial district appointee.

Submitted by:

John Leopold, First District Supervisor

Attachments:

- a Patrick Garcia Application



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Ryan Coonerty, Third District Supervisor
(831) 454-2200

Subject: Support for Santa Cruz SEEDS: Children's Savings Accounts

Meeting Date: November 5, 2019

Recommended Action(s):

Accept this report on Santa Cruz SEEDS, an effort to establish Children's Savings Accounts for babies born in Santa Cruz County, and direct the Chair of the Board to write a letter of support for this local effort to invest in Santa Cruz County kids' education and development.

Executive Summary

In order to improve health and well-being and to address the inequality of opportunity in our community there is an effort underway to establish Children's Savings Accounts for all newborn babies in Santa Cruz County. This effort, called Santa Cruz SEEDS, invests in Santa Cruz County kids' education and development. Children's Savings Account programs across the country have a strong record of delivering health and education benefits and will be a positive addition to our County's targeted investments in our youngest residents.

Background

I have been working with Santa Cruz Community Ventures and partners including local health providers and early childhood advocates to launch Children's Savings Accounts (CSAs) for newborn babies in Santa Cruz County.

Children's Savings Accounts are accounts designated for a specific child to build assets over time through contributions from the community, family, friends, and others. The accounts are opened with an initial contribution, or seed money, from a sponsoring organization. Eligible uses of the accounts are for tuition (normally for post-secondary education such as college, vocational, or technical schools), room and board, books, supplies and equipment, and mandatory fees.

Numerous CSAs have been established across the United States through school-based initiatives, city-wide public-private partnerships, or statewide efforts. Municipally sponsored initiatives include San Francisco's Kindergarten to College (K2C) savings account programs, which deposit an initial \$50 to \$100 in seed money into an account for every kindergartner in the City. Initial seed funding for K2C comes from the City and County of San Francisco, with additional philanthropic support for incentives and outreach.

Studies show that not only are children with CSAs three times more likely to go to college, but the accounts produce shorter-term benefits as well including improved early

child development, improved mental health for mothers, improved educational expectations, and increased college planning behavior. Studies also show that even a modest seed amount in the account leads to positive behaviors and outcomes.

Analysis

The high level design of Santa Cruz SEEDS includes automatic enrollment at time of birth based on vital records, an initial seed amount (\$50 for babies from low-income families, \$25 for others), additional progressive contributions based on health and educational milestones, and parent donations towards savings for post-secondary education. The program design ensures that these custodial accounts do not impact eligibility for public benefits.

Our Board is already well aware that effective early interventions produce the greatest benefits to children, families and society. We know that as the number of adverse experiences in a child's life increases, so does the risk for developmental delays, behavioral problems, low educational attainment, lower wages in adulthood, and poor health outcomes later in life.

Establishing Children's Savings Accounts by working with our community partners is another important step we can take to provide Santa Cruz County children with the opportunity to be happy and healthy and to reach their full potential. It is also an important step toward addressing the inequality of opportunity in our community.

Santa Cruz SEEDS is launching in phases, starting by enrolling babies born to mothers who are patients of Salud Para La Gente and Santa Cruz Community Health Centers with plans to enroll all babies born in Santa Cruz County within the year.

Funding for this effort has come from many sources including the California Student Aid Commission, the Human Services Department, Health Services Agency, the Santa Cruz County Office of Education, the Cities of Watsonville and Santa Cruz, the United Way and First 5 of Santa Cruz County. Additional funds are actively being sought.

The California Student Aid Commission has been allocated \$25 million for Children's Savings Account programs across the state. Santa Cruz SEEDS will be preparing a strong application for a portion of that funding. A letter from the County of Santa Cruz strongly supporting Santa Cruz SEEDS will strengthen the application for state funding and support this local effort to invest in Santa Cruz County Kids' education and development.

Strategic Plan Element(s)

1.A.: Comprehensive Health and Safety, Health Equity

Submitted by:

Ryan Coonerty, Third District Supervisor

cc:

First 5 Santa Cruz County
Senator Bill Monning
Maria Cadenas
Santa Cruz Community Health Centers
Assemblymember Mark Stone
Children's Network of Santa Cruz County
County Office of Education
Salud Para La Gente
Assemblymember Robert Rivas
Health Services Agency
Human Services Department
United Way Santa Cruz County



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Bruce McPherson, Fifth District Supervisor
(831) 454-2200

Subject: Fifth District Appointment to the Substance Use Disorder Services Commission

Meeting Date: November 5, 2019

Recommended Action(s):

Approve appointment of Christine Berge to the Substance Use Disorder Services Commission, in accordance with County Code Section 2.84.040, for a term to expire April 1, 2021.

Executive Summary

Approve appointment to fill a supervisorial district appointee position for the Substance Use Disorder Services Commission, for a term to expire April 1, 2021.

Background

Based on the applications received, Christine Berge has been nominated to serve as a supervisorial district appointee.

Submitted by:

Bruce McPherson, Fifth District Supervisor



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Board of Supervisors: Administration
(831) 454-2200

Subject: Reappointment to the CSAC Board of Directors for 2019-20

Meeting Date: November 5, 2019

Recommended Action(s):

Reappoint Supervisor McPherson as Santa Cruz County's representative to the California State Association of Counties (CSAC) Board of Directors, and Supervisor John Leopold as the Alternate Director, for one year terms beginning December 3, 2019.

Executive Summary

Each year the California State Association of Counties asks that counties appoint members and alternates to serve on the CSAC Board of Directors for one year terms of office commencing on the first day of the CSAC Annual Conference. This year's conference will begin on December 3, 2019. Supervisor McPherson is currently serving as our Board's representative to the CSAC Board of Directors and Supervisor Leopold is currently serving as the Alternate Director. I believe these appointees should serve in the capacities for another year.

Submitted by:

Ryan Coonerty, Chair, Board of Supervisors



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Board of Supervisors: Administration

(831) 454-2200

Subject: 2020 Board Meeting Schedule and 2020-21 Budget Hearings Schedule

Meeting Date: November 5, 2019

Recommended Action(s):

Approve the 2020 schedule of meetings of the Board of Supervisors, including the schedule for 2020-2021 budget hearings, with specific dates as indicated below.

Executive Summary

On an annual basis, the Board of Supervisors adopts a meeting schedule for the upcoming calendar year that includes board meetings as well as budget hearings. The attached document shows the recommended 2020 schedule of meetings as well as 2020-2021 budget hearings.

Background

The 2019 meeting schedule for the Board of Supervisors provided that the Board would meet on Tuesdays, with the following exceptions:

- No meetings were scheduled on Tuesdays following a Monday that was a holiday for County employees.
- The Board scheduled a spring recess.
- No meetings were scheduled during the month of July.
- A legislative recess was scheduled for the Tuesday immediately following the Thanksgiving holiday.
- A two week holiday recess was scheduled at the end of the year.
- The Board held a sufficient number of meetings throughout the year in order to conduct County business in a timely manner.

The Board also adopted a schedule for 2019-21 Budget Hearings which provided that hearings were held over the course of four full business days, which included two night hearings to receive public comment. Final budget actions were not considered until the Board's final meeting in June.

Analysis

I recommended that our Board establish a similar meeting schedule for 2020. To

provide sufficient time for the Board to consider any last day budget reports, final budget actions would not be considered until Tuesday, June 30, at the conclusion of the Board's regular meeting.

Accordingly, I recommend that the Board take the following actions:

1. Adopt a 2020 schedule that provides that the Board will meet in regular session on the following dates, as outlined on the attached schedule:

January 14 and 28
 February 11 and 25
 March 10 and 24
 April 14 and 28
 May 12 and 19
 June 2, 16 and 30
 August 4 and 18
 September 1 and 15
 October 6 and 20
 November 10 and 17
 December 8

2. Approve the schedule for Budget Hearings listed below. As you will note, this schedule allows for evening hearings to accept public testimony on the proposed 2020-21 County Budget in both north and south county and proposes that the majority of budget deliberations will be conducted over the course of four business days, with final actions to take place on June 30 after the conclusion of the Board's regular meeting.

- Monday, June 22 - Budget Hearings all day; evening public hearing to be
 - held in Watsonville to receive public testimony on the proposed budget
- Tuesday, June 23 - Budget Hearings all day (no Board meeting); evening
 - public hearing to be held in the Board Chambers to receive public testimony on the proposed budget
- Wednesday, June 24 - Budget Hearings
- Thursday, June 25 - Budget Hearings
- Tuesday, June 30 - Board Meeting, followed by final budget actions

Submitted by:

Ryan Coonerty, Chair, Board of Supervisors

Attachments:

- a Board of Supervisors Meeting Calendar 2020

Board of Supervisors Meetings 2020

January

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

March

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Jan 1 • New Year's Day
Jan 14 • Board Meeting
Jan 20 • Martin Luther King Jr. Day
Jan 28 • Board Meeting
Feb 11 • Board Meeting
Feb 17 • Presidents' Day
Feb 25 • Board Meeting
Mar 10 • Board Meeting
Mar 24 • Board Meeting
Mar 31 • Cesar Chavez Day
Apr 14 • Board Meeting
Apr 28 • Board Meeting
May 12 • Board Meeting

May 19 • Board Meeting
May 25 • Memorial Day
Jun 2 • Board Meeting
Jun 16 • Board Meeting
Jun 22 • Budget Hearing
Jun 23 • Budget Hearing
Jun 24 • Budget Hearing
Jun 25 • Budget Hearing
Jun 30 • Board Meeting
Jul 3 • Independence Day Observed
Aug 4 • Board Meeting
Aug 18 • Board Meeting
Sep 1 • Board Meeting

Sep 7 • Labor Day
Sep 15 • Board Meeting
Oct 6 • Board Meeting
Oct 12 • Indigenous Peoples' Day
Oct 20 • Board Meeting
Nov 10 • Board Meeting
Nov 11 • Veterans Day
Nov 17 • Board Meeting
Nov 26 • Thanksgiving
Nov 27 • Day After Thanksgiving
Dec 8 • Board Meeting
Dec 24 • Christmas Eve
Dec 25 • Christmas Day



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Probation Department

(831) 454-3800

Subject: Approve Multi-Year Contract with AXON for Public Safety Equipment

Meeting Date: November 5, 2019

Recommended Action(s):

Approve a five-year agreement with AXON Enterprise, Inc., in the total amount of \$64,510.35, including \$18,756.47 in Fiscal Year 2019-20, for public safety equipment for Probation Officers to assist them in performing field work in the community, and authorize the Chief Probation Officer to sign the agreement on behalf of the County.

Executive Summary

The Probation Department piloted a Field Safety Training Program in 2018 to provide training and tools for Probation Officers performing field work. An important component of Community Supervision is field work, and it is imperative that this be conducted in the safest manner possible. The Probation Department is requesting that the Board of Supervisors approve the agreement to purchase Conducted Electrical Weapons (CEW) also known as a tasers, including safety training.

Background

Axon is the existing provider used by our local law enforcement partners and a leader in the distribution of CEW. AXON offers the most competitive solution at the lowest total cost. The multi-year agreement provides ongoing maintenance, upgrades, warranty options, and replacement cartridges and parts to ensure that the equipment is properly maintained and supported.

The Taser X2 incorporates features such as:

- Backup shot which removes the need to manually reload and improves safety and performance in the event of a missed shot or clothing disconnect.
- Dual lasers to eliminate any aiming guesswork and to enhance accuracy.
- Warning arc which issues an audible warning which may increase voluntary surrenders and help reduce conflicts from escalating.

Analysis

The Field Training Program was designed to instruct officers in various duties and tasks performed in the field. To support Probation Officers in conducting field contacts, appropriate training and safety equipment is of the utmost importance. Tasers, as an additional use of force option, is for defensive purposes only and the equipment will be deployed to officers assigned to specific caseloads in the Adult Services Division. Tasers, a defensive tool for officers, will be optional for officers performing Adult Supervision. As required by policy and procedures, staff performing specific field work

will have access to check-out equipment for use in community supervision fieldwork. The vendor will also facilitate a two-day comprehensive train-the-trainer training for officers and Probation managers.

AXON's Taser 60 Unlimited Agreement contains terms and conditions specific to CEW maintenance, upgrades, warranty options and support. County Counsel has reviewed and approved the agreement.

Financial Impact

The costs for 22 Conducted Electrical Weapons (CEW) including parts, warranty, and two-day training is \$64,510.35 spread over the five-year agreement. Year one costs total \$18,756.47 and the remaining annual costs are \$11,438.47

Strategic Plan Element(s)

1.C (Comprehensive Health and Safety: Local Justice) - The use of safety equipment by officers performing field supervision work allows officers to have a variety of tools to better manage various types of community field work and to increase their own safety and public safety.

Submitted by:

Fernando Giraldo, Chief Probation Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Contract 20C4405 AXON (eSign)
- b ADM 29 20C4405



AXON

Santa Cruz County Probation Dept. - CA

AXON SALES REPRESENTATIVE

Billy Nichols

+1 602769347

bnichols@axon.com

ISSUE

10/10/201

Q-219361-43748.899BN

Issued: 10/10/2019

Quote Expiration: 11/30/2019

Account Number: 309015

Payment Terms: Net 30
Delivery Method: Fedex - Ground

SALES REPRESENTATIVE

Billy Nichols

Phone: +1 6027693479

Email: bnichols@axon.com

Fax:

PRIMARY CONTACT

Lisa Herschfelt

Phone: (831) 454-3800

Email: lisa.herschfelt@santacruzcounty.us



Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
Phone: (800) 978-2737

SHIP TO

Lisa Herschfelt
Santa Cruz County Probation Dept. - CA
3650 Graham Hill Road
Felton, CA 95018
US

BILL TO

Santa Cruz County Probation Dept. - CA
P. O. Box 1812
Santa Cruz, CA 95061
US

Year 1

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85700	TASER 60 YEAR 1 PAYMENT: X2 UNLIMITED	22	477.00	477.00	10,494.00
Hardware					
22002	BLACK X2 CEW, HANDLE	22	0.00	0.00	0.00
80137	TASER 60 X2 UNLIMITED	22	0.00	0.00	0.00
22501	RIGHT-HAND HOLSTER, X2, BLACKHAWK	22	0.00	0.00	0.00
22011	APPM, AUTOMATIC SHUT-DOWN BATTERY PACK, X2/X26P	22	0.00	0.00	0.00
22157	25 FT NON-CONDUCTIVE TRAINING SMART CARTRIDGE, X2	44	0.00	0.00	0.00
22151	25 FT SMART CARTRIDGE, X2	44	0.00	0.00	0.00
22013	KIT, DATAPORT DOWNLOAD, USB, X2/X26P	1	200.00	200.00	200.00
Services					
85147	CEW STARTER	1	2,750.00	2,750.00	2,750.00
85149	CEW 2 DAY PRODUCT SPECIFIC INSTRUCTOR COURSE	1	4,350.00	4,350.00	4,350.00
Subtotal					17,794.00
Estimated Shipping					0.00
Estimated Tax					962.47
Total					18,756.47

Attachment: Contract 20C4405 AXON (eSign) (7854 : Approve Multi-Year Contract with AXON for Public Safety Equipment)

Year 2

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85701	TASER 60 YEAR 2 PAYMENT: X2 UNLIMITED	22	477.00	477.00	10,494.00
				Subtotal	10,494.00
				Estimated Tax	944.41
				Total	11,438.41

Year 3

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85702	TASER 60 YEAR 3 PAYMENT: X2 UNLIMITED	22	477.00	477.00	10,494.00
				Subtotal	10,494.00
				Estimated Tax	944.41
				Total	11,438.41

Year 4

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85703	TASER 60 YEAR 4 PAYMENT: X2 UNLIMITED	22	477.00	477.00	10,494.00
				Subtotal	10,494.00
				Estimated Tax	944.41
				Total	11,438.41

Year 5

Item	Description	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages					
85704	TASER 60 YEAR 5 PAYMENT: X2 UNLIMITED	22	477.00	477.00	10,494.00
				Subtotal	10,494.00
				Estimated Tax	944.41
				Total	11,438.41

Grand Total	64,510.31
--------------------	------------------

Attachment: Contract 20C4405 AXON (eSign) (7854 : Approve Multi-Year Contract with AXON for Public Safety Equipment)

Summary of Payments

Payment	Amount (USD)
Year 1	18,756.47
Year 2	11,438.47
Year 3	11,438.47
Year 4	11,438.47
Year 5	11,438.47
Grand Total	64,510.35

TASER60 Terms and Conditions: This quote contains a purchase under the TASER 60 Plan. If your purchase only includes the TASER 60 Plan, CEWs, and CEW accessories, then this purchase is solely governed by the TASER 60 Terms and Conditions posted at: <https://www.axon.com/legal/sales-terms-and-conditions>, and the terms and conditions of Axon's Master Services and Purchasing Agreement do not apply to this order. You represent that you are lawfully able to enter into contracts and if you are entering into this agreement for an entity, such as the company, municipality, or government agency you work for, you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, do not sign this Quote.

Tax is subject to change at order processing with valid exemption.

Axon's Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature:	_____	Date:	_____
Name (Print):	_____	Title:	_____
PO# (Or write N/A):	_____		

Please sign and email to Billy Nichols at bnichols@axon.com or fax to

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

Quote: Q-219361-43748.899BN

'Protect Life'® and TASER® are registered trademarks of Axon Enterprise, Inc, registered in the U.S. © 2013
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Attachment: Contract 20C4405 AXON (eSign) (7854 : Approve Multi-Year Contract with AXON for Public Safety Equipment)



Axon Enterprise, Inc.'s TASER 60 Unlimited Terms and Conditions

These TASER 60 Unlimited Terms and Conditions (**Agreement**) apply to your purchase from Axon Enterprise, Inc. (**Axon**) under TASER 60 Unlimited. TASER 60 Unlimited provides CEW hardware extended warranty coverage, CEW Products, and CEW accessories. The initial delivery, and each year thereafter, will also include 3 training cartridges. For the initial delivery of duty cartridges, X26 users will receive 2 duty cartridges, while X2 users will receive 3 duty cartridges. One PPM battery per user will be delivered to the Agency in Year 3 of this Agreement, unless otherwise requested. In the event the Agency is purchasing TASER 60 Unlimited for use with TASER CAM, the Agency will not receive the PPM or a substitute.

1. **Term.** The term start date is based upon the initial shipment date of the hardware covered under TASER 60 Unlimited (**Start Date**). The TASER 60 Unlimited term will end 5 years after the Start Date (**Term**).
2. **TASER 60 Unlimited Requirements.** In order to make a purchase under TASER 60 Unlimited, the Agency must purchase the TASER 60 Unlimited plan for each TASER Conducted Electrical Weapon (**CEW**) user. A CEW user includes an officer that uses a Conducted Electrical Weapon (**CEW**) in the line of duty, as well as officers that only use a CEW for training purposes. The Agency may not resell cartridges or batteries received under the TASER 60 Unlimited Program. The Agency may only request additional PPMs and duty cartridges as PPMs and duty cartridges are consumed in the line of duty, which will be provided by Axon at no charge. Upon reasonable notice, Axon reserves the right to audit the Agency's use of force records if the Agency is ordering more cartridges or batteries than is customary compared to an Agency of similar size. In the event the audit determines the Agency's use of force records do not support the Agency's reported cartridge and battery use, the Agency will pay the MSRP of each cartridge and battery delivered to the Agency beyond what was supported by the Agency's use of force records.
3. **Payment Terms.** Axon invoices for the TASER 60 Unlimited plan on an annual basis. Agency will be invoiced upon the Start Date and then upon the anniversary of the Start Date for the remainder of the Term. Invoices are due to be paid within 30 days of the date of invoice.

Payment obligations are non-cancelable and fees paid are non-refundable and all amounts payable will be made without setoff, deduction, or withholding. For users added in the middle of any annual cycle, the Agency will pay a true-up fee for those additional users. These additional licenses will be co-termed with the Agency's existing licenses. Additional users that are added before the third year payment will receive a PPM, while additional users that are added after the third year payment will not receive a PPM.

4. **Taxes.** Unless the Agency provides a valid and correct tax exemption certificate applicable to the purchase and ship-to location, the Agency is responsible for sales and other taxes associated with the order.
5. **Shipping; Title; Risk of Loss; Rejection.** Axon reserves the right to make partial shipments and products may ship from multiple locations. All shipments are E.X.W. via common carrier and title and risk of loss pass to the Agency upon delivery to the common carrier by Axon. The Agency is responsible for all freight charges. Any loss or damage that occurs during shipment is the Agency's responsibility. Shipping dates are estimates only.
6. **Returns.** All sales are final and no refunds or exchanges are allowed, except for warranty returns or as provided by state or federal law.
7. **Hardware Limited Warranty.** Axon warrants that its law enforcement hardware products are free from defects in workmanship and materials for a period of ONE (1) YEAR from the date of receipt. Extended warranties run from the date of purchase of the extended warranty through the balance of the 1-year limited warranty term plus the term of the extended warranty measured after the expiration of the 1-year limited warranty. CEW cartridges and Smart cartridges that are expended are deemed to have operated properly. Axon-Manufactured Accessories are covered under a limited 90-DAY warranty from the date of receipt. Non- Axon manufactured accessories are covered under the manufacturer's warranty. If Axon determines that a valid warranty claim is received within the warranty period, Axon agrees to repair or replace the Product. Axon's sole responsibility under this warranty is to either repair or replace with the same or like Product, at Axon's option.
8. **Warranty Limitations.** The warranties do not apply and Axon will not be responsible for any loss, damage, or other liabilities arising from: (a) damage from failure to follow instructions relating to the Product's use; (b) damage caused by use with non-Axon products or from the use of cartridges, batteries or other parts, components or accessories that are not manufactured or recommended by Axon; (c) damage caused by abuse, misuse, intentional or deliberate damage to the



Axon Enterprise, Inc.'s TASER 60 Unlimited Terms and Conditions

product, or force majeure; (d) damage to a Product or part that has been repaired or modified by persons other than Axon authorized personnel or without the written permission of Axon; or (e) if any Axon serial number has been removed or defaced.

To the extent permitted by law, the warranties and remedies set forth above are exclusive and Axon disclaims all other warranties, remedies, and conditions, whether oral or written, statutory, or implied, as permitted by applicable law. If statutory or implied warranties cannot be lawfully disclaimed, then all such warranties are limited to the duration of the express warranty described above and limited by the other provisions contained in this Agreement. Axon's cumulative liability to any Party for any loss or damage resulting from any claims, demands, or actions arising out of or relating to any Axon product will not exceed the purchase price paid to Axon for the product or if for services, the amount paid for such services over the prior 12 months preceding the claim. In no event will either Party be liable for any direct, special, indirect, incidental, exemplary, punitive or consequential damages, however caused, whether for breach of warranty, breach of contract, negligence, strict liability, tort or under any other legal theory.

9. **Warranty Returns.** If a valid warranty claim is received by Axon within the warranty period, Axon agrees to repair or replace the Product which Axon determines in its sole discretion to be defective under normal use, as defined in the Product instructions. Axon's sole responsibility under this warranty is to either repair or replace with the same or like Product, at Axon's option. For warranty return and repair procedures, including troubleshooting guides, please go to Axon's website www.axon.com/support.
A replacement product will be new or like new and have the remaining warranty period of the original product or 90 days from the date of replacement or repair, whichever period is longer. Any replacement item becomes Purchaser's property and the replaced item becomes Axon's property.
10. **TASER 60 Unlimited Warranty Coverage.** TASER 60 Unlimited includes extended warranty coverage for the TASER CEW handle and as described in the Hardware Limited Warranty. TASER 60 Unlimited warranty coverage starts at the beginning of the Term and continues as long as the Agency continues to pay the required annual fees for TASER 60 Unlimited during the Term. The Agency may not have both an optional extended warranty and TASER 60 Unlimited on the TASER CEW product.
11. **Spare Product.** For orders of more than 30 units, Axon will provide a predetermined number of Spare Product for the TASER CEW hardware listed in the Quote ("Spare Products") to keep at the Agency location to replace broken or non-functioning units in order to improve the availability of the units to officers in the field. The Agency must return to Axon, through Axon's RMA process, any broken or non-functioning units for which a Spare Product is utilized, and Axon will repair or replace the non-functioning unit with a replacement product. Axon warrants it will repair or replace the unit which fails to function for any reason not excluded by the warranty coverage, during the Term with the same product or a like product, at Axon's sole option. Within 30 days of the termination of this Agreement for any reason the Agency must return to Axon all Spare Products. The Agency will be invoiced for and are obligated to pay to Axon the MSRP then in effect for all Spare Products not returned to Axon.
12. **Product Warnings.** See our website at www.axon.com for the most current product warnings.
13. **Design Changes.** Axon reserves the right to make changes in the design of any of Axon's products and services without incurring any obligation to notify the Agency or to make the same change to products and services previously purchased. Axon may replace end of life products with the next generation of that product without notifying the Agency.
14. **TASER 60 Unlimited Termination.** If an invoice for TASER 60 Unlimited is more than 30 days past due, then Axon may terminate TASER 60 Unlimited. Axon will provide notification that TASER 60 Unlimited coverage is terminated. Once TASER 60 Unlimited coverage is terminated for any reason, then:
 - 14.1. TASER 60 Unlimited coverage will terminate as of the date of termination and no refunds will be given.
 - 14.2. The Agency will be invoiced and obligated to pay for the remainder of the MSRP for TASER 60 Unlimited Products received before the termination date. In the case of termination for non-appropriations, Axon will not invoice the Agency if the Agency returns the CEW, battery, holster, and unused cartridges to Axon within 30 days of the date of termination.
 - 14.3. The Agency will be responsible for payment of any missed payments due to the termination before being allowed to



Axon Enterprise, Inc.'s TASER 60 Unlimited Terms and Conditions

purchase any future TASER 60 Unlimited plan.

15. **Excusable Delays.** Axon will use commercially reasonable efforts to deliver all products and services ordered as soon as reasonably practicable. In the event of interruption of any delivery due to causes beyond Axon's reasonable control Axon has the right to delay or terminate the delivery with reasonable notice.
16. **Proprietary Information.** The Agency agrees that Axon has and claims various proprietary rights in the hardware, firmware, software, and the integration of ancillary materials, knowledge, and designs that constitute Axon products and services, and that the Agency will not directly or indirectly cause any proprietary rights to be violated.
17. **Import and Export Compliance.** In connection with this Agreement, each Party will comply with all applicable import, re-import, export, and re-export control laws and regulations.
18. **Assignment.** The Agency may not may assign or otherwise transfer this Agreement without the prior written approval of Axon.
19. **Severability.** This Agreement is contractual and not a mere recital. If any portion of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect.
20. **Governing Law; Venue.** The laws of the state where the Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute of any sort that might arise between the Parties. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.
21. **Entire Agreement.** This Agreement, the TASER Assurance Plan Appendix (if applicable), and the quote provided by Axon, represents the entire agreement between the Parties. This Agreement supersedes all prior or contemporaneous representations, understandings, agreements, or communications between the Parties, whether written or verbal, regarding the subject matter of this Agreement. No modification or amendment of any portion of this Agreement will be effective unless in writing and signed by the Parties to this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed. Each Party warrants and represents that its respective signatories whose signatures appear below have been and are, on the date of signature, duly authorized to execute this Agreement.

Axon Enterprise, Inc.

Signature: _____

Name: _____

Title: _____

Date: _____

Agency

Signature: _____

Name: _____

Title: _____

Date: _____

Approved as to Form Office of the County Counsel: _____

Approved as to Insurance Risk Management: _____

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Report SCZCM1000: County Form ADM-29

36.b

Contract No. 20C4405

Contractor V34436 AXON ENTERPRISE INC

Type	OT	Other			
Manager	VTHOMPSO		Security Code	5740	Probation
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt		Encumbrance Total
\$18,756.47	\$0.00	\$18,756.47	\$0.00		\$0.00
Administrator	MALLEN		CAL Sec ORIG		Original Contract

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the Probation and AXON ENTERPRISE INC.

The agreement will provide SAFETY EQUIPMENT FOR ADULT PROBATION OFFICERS

Period of agreement is from 11/5/2019 to 6/30/2020.

Anticipated Cost is \$18,756.47.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qty	Units	Price	Extd Amt
1	2020	GL 574000 - 62228 / JL JA0000 - 62228 22 CEW UNITS	22	EA	\$477.00	\$10,494.00
2	2020	GL 574000 - 62228 / JL JA0000 - 62228 CEW DATAPORT KIT	1	EA	\$200.00	\$200.00
3	2020	GL 574000 - 62228 / JL JA0000 - 62228 SHIP TO FELTON TAX RATE 9%	1	LOT	\$962.47	\$962.47
4	2020	GL 574000 - 62826 / JL JA0000 - 62826 TRAINING STARTER	1	EA	\$2,750.00	\$2,750.00
5	2020	GL 574000 - 62826 / JL JA0000 - 62826 2 DAY INSTRUCTOR TRAINING	1	EA	\$4,350.00	\$4,350.00

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/21/19 9:13:41	PRB1010	Sara Jamison	Contract Initiator	Self-Approved	Accepted
Note	NEW AGREEMENT WITH AXON FOR SAFETY EQUIPMENT FOR BOS MTG 11/5/2019. AGREEMENT TERM 2019-2024.				
10/21/19 21:02:47	PRB200	Melissa Allen	Departmental Manager	Appropriations Are Available	Accepted
Note	Ok to enter/approve new contract pending Board approval. MKA 10/21/19				
10/25/19 14:16:46	CAO053	Sven Stafford	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

THIS AGREEMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS AS
CERTIFIED BY THE CLERK OF THE BOARD



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Health Services Agency: Behavioral Health Division
(831) 454-4000

Subject: Diversion Grant: Approve Grant Agreement

Meeting Date: November 5, 2019

Recommended Actions:

- 1) Approve the Pre-Trial Felony Mental Health Diversion (Diversion) grant, revenue contract #20R0247, awarded by the California Department of State Hospitals (DSH) in the amount of \$1,362,536 and authorize the Health Services Agency (HSA) to sign the agreement and any related documents and amendments; and
- 2) Direct HSA to return to the Board by February 2020 to accept and appropriate the Diversion grant funds.

Executive Summary

HSA seeks Board approval of a Pre-Trial Felony Mental Health Diversion (Diversion) grant awarded by the California Department of State Hospitals (DSH) in the amount of \$1,362,536. The Diversion grant funding allows HSA to expand services that will provide an opportunity to divert from jail individuals who meet certain eligibility criteria into more rapid behavioral health care and restoration to competency, minimizing time spent incarcerated, and improving treatment access.

Background

When a person with a serious mental illness (SMI) is being charged with a felony offense punishable by a prison sentence, they may be determined to be mentally Incompetent to Stand Trial (IST). Under California law, Penal Code §1367, a defendant is declared IST if, as a result of a mental disorder or developmental disability, the person cannot: (1) understand the nature of the criminal proceedings; or (2) assist counsel in the conduct of a defense in a rational manner. In certain cases, an IST defendant can be provided healthcare treatment and subsequently determined to be restored to competency to stand trial. Penal Code §1370 establishes that if the defendant is found mentally competent, the criminal process can resume.

Upon IST declaration, the defendant is ordered to be cared for in a State Hospital, where the individual can receive care towards restoration to competency. This allows the individual to stabilize their mental health condition and also to adequately understand and inform their criminal court process. Waits for the State Hospital are currently averaging up to six months and the IST individuals wait in a local County jail until the State Hospital bed becomes available.

Analysis

Since Fiscal Year (FY) 2013-14, the State has experienced a 60% increase in the

number of felony IST referrals to the State Hospital system for restoration to competency services. Despite the addition of State hospital beds and some county-based jail IST restoration programs, the statewide number of jail inmates waiting for a State hospital bed grew to 967 in May 2018. In FY 2016-17, Santa Cruz County made 32 referrals to the State Hospital system for IST restoration. The average wait time for the State Hospital beds is 4 - 6 months. These inmates are incarcerated at the Santa Cruz County Jail awaiting transfer to the State Hospital.

To address this statewide issue, several legislative actions have taken place to help remediate the growing challenge. Among them is California Assembly Bill (AB) 1810 (June 2018), an initiative focused on IST Diversion from the State Hospital system to local control for qualifying inmates into other treatment modalities. AB 1810 created Penal Code Section §1001.35 and §1001.36, the Diversion Statutes, amending Penal Code §1370. These statutes allow provisions for an IST person who is deemed appropriate for diversion to be diverted from jail awaiting a DSH bed, and instead directed into a local mental health care modality. AB1810 creates a pre-trial diversion track for individuals with the following characteristics: 1) having a diagnosis of Schizophrenia, Schizoaffective Disorder, or Bipolar Disorder; 2) exhibiting a significant correlation between the symptoms of the mental illness and/or conditions of homelessness and the charged felony; and 3) posing a low criminogenic risk and not posing a safety risk. The State has estimated that during FY 2016-17, Santa Cruz County had between six to nine individuals that met the criteria.

AB 1810 also adds California Penal Code §4361 as a mechanism creating Diversion Funding administered by DSH to redirect qualifying individuals to local mental health treatment. As part of the AB 1810 legislation implementation for Diversion, Santa Cruz County has engaged in a multi-agency planning process to develop clear pathways through the court process and linkage to appropriate programming to provide treatment in lieu of incarceration for eligible participants. The planning committee has met regularly beginning in January of 2019. The participants are representatives from the Superior Courts, the District Attorney's Office, the Public Defender's Office, Behavioral Health, and the Probation Department.

On February 26, 2019, the Board authorized HSA to apply for the Diversion grant funded by DSH for its second round of funding. Fifteen counties in the State were awarded funding in round one based solely on the number of referrals to the State Hospital system from those counties. Round two funds were awarded on a competitive basis to eight counties who submitted proposals to reduce the number of individuals awaiting State Hospital placement. Santa Cruz County was successfully awarded \$1,362,536 over a three-year period, from October 2019 to October 2022.

The \$1,362,536 of Diversion grant funds will be expended over the course of three years. A budget for these funds is being finalized and HSA will return to the Board at a future date with a plan to accept and appropriate the Diversion grant funds.

Financial Impact

Santa Cruz County HSA Behavioral Health Division was awarded \$1,362,536 from the DSH Diversion Program. These funds will be distributed via the Diversion grant,

contract #20R0247. Once the funds are accepted and appropriated, they will be received under account 363101/40894. These finances will involve no Net County Cost.

Strategic Plan Elements

- 1.B (Comprehensive Health & Safety: Community Support)
- 1.C (Comprehensive Health & Safety: Local Justice)
- 1.D (Comprehensive Health & Safety: Behavioral Health)
- 6.A (Operational Excellence: Customer Experience)

The Pre-Trial Felony Mental Health Diversion grant funding through the DSH will divert eligible individuals into quicker behavioral health care and restoration to competency, minimizing the time they spend incarcerated and improving their access to treatment by expanding existing programs.

Submitted by:

Mimi Hall, Director of Health Services Agency

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Revenue Contract: #20R0247 - CA Department of State Hospitals
- b ADM29 20R0247

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

19-79003-000

PURCHASING AUTHORITY NUMBER (If Applicable)

DSH-4440

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of State Hospitals

CONTRACTOR NAME

County of Santa Cruz

2. The term of this Agreement is:

START DATE

October 8, 2019

THROUGH END DATE

October 7, 2022

3. The maximum amount of this Agreement is:

\$1,362,536.00 One Million Three Hundred Sixty-Two Thousand Five Hundred Thirty-Six Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

EXHIBITS	TITLE	PAGES
Exhibit A	Scope of Work	5
Exhibit A, Attachment 1	Statutory Outcome Data Requirements	1
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit B, Attachment 1	Sample Invoice	1
Exhibit C	General Terms and Conditions	4
Exhibit D	Special Terms and Conditions	8
Exhibit E	Confidentiality and Information Security Provisions (HIPAA Business Associate Agreement)	N/A
Exhibit F	Information Privacy and Security Requirements (Non-HIPAA/HITECH Act Contracts)	10

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

County of Santa Cruz

CONTRACTOR BUSINESS ADDRESS

1400 Emeline Avenue

CITY

Santa Cruz

STATE

CA

ZIP

95060

PRINTED NAME OF PERSON SIGNING

Mimi Hall

TITLE

Health Services Agency Director

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

APPROVED AS TO FORM:

By: Skelley 9/30/2019
Office of the County Counsel

Approved as to Insurance

By: Bailey 10/9/19

Date 10/9/19

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 03/2019)

AGREEMENT NUMBER

19-79003-000

PURCHASING AUTHORITY NUMBER (If Applicable)

DSH-4440

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of State Hospitals

CONTRACTING AGENCY ADDRESS

1600 9th Street, Room 101

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Annie Luyen-Yu

TITLE

Chief (A), Acquisitions

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Welfare & Institutions Code 4361

Attachment: Revenue Contract: #20R0247 - CA Department of State Hospitals [Revision 1] (7648 : Diversion Grant: Approve Grant Agreement)

EXHIBIT A
SCOPE OF WORK**1. CONTRACTED PARTIES:**

- A. The County of Santa Cruz and/or their authorized designee, hereafter referred to as "Contractor," agrees to provide services (as defined in Section 4) pursuant to the terms and conditions of this Agreement.

2. PROJECT REPRESENTATIVES:

- A. The project representatives during the term of this Agreement shall be:

DSH Contract Manager:	
Section/Unit: Forensic Services Division	
Attention: Ashley Breth Staff Services Manager I, Specialist	
Address: 1600 9 th Street, Room 410 Sacramento, CA 95814	
Phone: (916) 654-4187	Fax: (916) 651-1168
Email: Ashley.Breth@dsh.ca.gov	

DSH Administrative Contact:	
Section/Unit: Forensic Services Division	
Attention: Ashley Breth Staff Services Manager I, Specialist	
Address: 1600 9 th Street, Room 410 Sacramento, CA 95814	
Phone: (916) 654-4187	Fax: (916) 651-1168
Email: Ashley.Breth@dsh.ca.gov	

Santa Cruz County Contract Manager:	
Section/Unit: Santa Cruz County Behavioral Health Services	
Attention: Pam Rogers-Wyman Director, Adult Behavioral Health Services	
Address: 1400 Emeline Ave. Santa Cruz, CA 95060	
Phone: (831) 454-5244	Fax: N/A
Email: pam.rogers-wyman@santacruzcounty.us	

Either party may make changes to the contact names or information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

3. PROJECT SUMMARY:

Contractor shall administer a pre-trial jail felony mental health diversion program, referred to hereinafter as the "Program," for individuals charged with felony offenses in Santa Cruz County. Program participants are individuals with serious mental disorders who have been charged with certain felony crimes and found by a Court of competent jurisdiction, to qualify for diversion services pursuant to Penal Code section 1001.36 hereafter referred to as "Felony Mental Health Diversion Clients" or "Clients." Contractor shall provide clinically appropriate or evidence-based mental health treatment and wraparound services across a continuum of care, as appropriate, to meet the individual needs of Felony Mental Health Diversion Clients. For purposes of this section, "wraparound services" means services provided in addition to the mental health treatment necessary to meet the individual's needs for successfully managing his or her mental health symptoms and to successfully live in the community.

4. PROGRAM IMPLEMENTATION FUNDS:

- A. The DSH shall distribute up to 25% of total funds to Contractor for initial program implementation costs incurred under this Agreement. Contractor shall submit to the DSH a written program plan including an outline of the use of the program implementation funding as a deliverable prior to payment of funds. Program implementation costs shall include, but are not limited to:
- a. Initial procurement and set up of diversion client housing
 - b. Initial administrative operating expenses and equipment
 - c. Initial training and technical assistance activities
 - d. Development of operational guidelines, policies and procedures
 - e. Recruitment, hiring, and orientation activities supporting new staff

5. CONTRACTOR RESPONSIBILITIES:

- A. The estimated total number of unduplicated Felony Mental Health Diversion Clients to be served by Contractor during the term of this agreement is 45. Felony Mental Health Diversion Clients must maintain participation in the Diversion program for a minimum of 30 days to be counted towards the Contractor's target population goals required for distribution of funds as outlined in Exhibit B, Budget Detail. If a participating Felony Mental Health Diversion Client successfully completes the program in less than 30 days, the Contractor may account for the Felony Mental Health Diversion Client in the total reported to DSH for purposes of meeting target population goals required for distribution of funds.
- B. Contractor shall collaborate with community stakeholders and other partner agencies in the planning and implementation of the diversion program as outlined in the required program plan document. Collaborative partners include but are not limited to the following county-specific groups: behavioral health, community-based treatment providers, housing providers, courts, Public Defender, District Attorney, probation and Sheriff/jail administrator.
- C. Contractor shall thoroughly assess and identify which Felony Mental Health Diversion Clients are clinically appropriate for admission into the community-based jail diversion program based upon statutory criteria (Welf. & Inst. Code, § 4361, subd. (c)(1)(A)-(C)). Additionally, Contractor shall initiate treatment and treatment under the Program shall be available while the Felony Mental Health Diversion Clients are incarcerated and awaiting release from jail and placement in the community.
- D. To the extent not prohibited by Federal law, Contractor shall provide DSH with data no less than quarterly including but not limited to statutory requirements detailed in AB1810 (2018) and Welfare

and Institutions Code section 4361 (Section 4361) for individual Felony Mental Health Diversion Clients. DSH shall have the right to modify, reduce, or add data elements or outcome measures at any time in its discretion consistent with Section 4361, subdivision (g). Exhibit A Attachment 1 details the statutory data elements that are required. Data shall be submitted in the method and format set forth by the DSH. Contractor shall identify any data in the dataset subject to the rules of 42 Code of Federal Regulations part 2 upon submission to DSH. DSH shall use this data and outcome measures to perform program evaluation to assess the efficacy and resource allocation of the program, for monitoring of the program to ensure that services outlined in law and the proposal were provided, to provide reports to the California state Legislature and other stakeholders, and to perform research related to provision of improved services to the target population.

- E. Felony Mental Health Diversion Clients housed in community-based diversion programs shall remain under the physical supervision of Contractor. Contractor is responsible for full range of services and supports under the Program including but not limited to medical care, transportation, and availability of patients-rights services.
- F. Contractor retains the right to exclude specific individual Felony Mental Health Diversion Clients from the community-based diversion program based on the terms and conditions set forth in the Client's Diversion plan or based on the criteria agreed upon by collaborative partner agencies at any point during participation in the program.
- G. Contractor shall submit to DSH a written document outlining the program plan developed and agreed to by all Contractor collaborative partners. Said document, referred to hereinafter as the "Program Plan" shall identify roles and responsibilities, describe the program from initial identification of potential Felony Mental Health Diversion Clients to program completion, and list all categories of services to be provided in the program. The Program Plan shall also include a detailed program flowchart depicting the stages of the program; an itemized budget plan identifying roles and operation and equipment costs, Contractor financial match, and other fund sources; and an outline of program implementation costs as detailed in section 4 of this exhibit. The Program Plan must be approved by DSH prior to program implementation. Any changes to the Program Plan must be agreed to in writing by both parties and included as Amendments to the Program Plan.
- H. Contractor shall connect Clients to services in the community after they have completed the applicable Client Diversion plan. Contractor shall be responsible for coordinating with behavioral health programs for continued mental health care, crisis intervention, ongoing counseling and care, and psychotropic medication compliance for the Felony Mental Health Diversion Clients, to the extent that Clients who have completed the Diversion Program remain eligible for such services.
- I. Contractor will track Diversion expenditures and shall provide a regular financial report itemizing Diversion expenditures and any required match contributions, by funding source, to DSH within sixty days after the close of the months of December and June on a bi-annual basis during the term of this agreement. A final report itemizing Diversion expenditures and required match contributions, by funding source, shall be due within sixty days following the termination of the agreement.
- J. Contractor shall report in writing via email to the DSH Contract Manager or designee if a current Felony Mental Health Diversion Client is absent without leave (AWOL) or is involved in a Special Incident. Such reporting to DSH will take place within forty-eight (48) hours of such an incident.

A "Special Incident" is a significant Client occurrence or any event which has the potential of adversely affecting the operation of the program. The following occurrences qualify as Special Incidents:

- i. Client suicide or attempt;
- ii. Death or serious injury of, or by, Client;
- iii. Allegations of illegal conduct by a Client (including arrests, with or without conviction);
- iv. Any incident which may result in negative public or media attention to the program.

- K. If Contractor is unable to serve the total number of unduplicated Felony Mental Health Diversion Clients stated in provision 5.A. due to actual program costs exceeding the level of funds available, Contractor shall notify the DSH Contract Manager or designee in writing no less than 180 days prior to the expiration of this Agreement; and shall provide an updated plan to include: 1) an explanation of the reasons for the cost increases; 2) the revised number of Felony Mental Health Diversion Clients to be served by the community-based diversion program; and 3) the revised budget, not to exceed the maximum amount set forth in this Agreement. Upon approval of the revised plan by the DSH, an amendment to this Agreement shall be initiated.
- L. Contractor and its subcontractors shall procure and keep in full force and effect during the term of this Agreement all permits, registrations, and licenses necessary to accomplish the work specified in this Agreement and shall give all notices necessary and incident to the lawful execution of the work. Contractor shall provide proof of any such license(s), permits(s), and certificate(s) upon request by the DSH. Contractor agrees that failure by itself or its subcontractors to provide evidence of licensing, permits, or certifications shall constitute a material breach for which the DSH may terminate this Agreement with cause.
- M. Contractor shall provide services as outlined in this Agreement. Contractor shall be responsible to fulfill the requirements of this Agreement and shall incur expenses at its own risk and invest sufficient amount of time and funds to fulfill the obligations as contained herein.
- N. Contractor and its subcontractors shall keep informed of, observe, comply with, and cause all its agents and employees to observe and to comply with all prevailing Federal, State, and local laws, rules, and regulations made pursuant to pertinent Federal, State, and local laws. If any conflict arises between provisions of the plans and specifications and any such law above referred to, then Contractor shall notify the DSH in writing within 10 business days of becoming aware of such a conflict.
- O. Unless otherwise specified, this Agreement may be canceled at any time by Contractor, in writing, with 50 business days advance notice. The DSH may terminate the Agreement pursuant to section 7 of Exhibit C if Contractor or its subcontractors fails to comply with a federal, state, or local law and the noncompliance, based on the facts and circumstances, would constitute a material breach of this Agreement under California law.

6. DSH RESPONSIBILITIES:

- A. DSH shall distribute funds to Contractor in accordance with the schedule outlined in Exhibit B, Budget Detail.
- B. The DSH shall provide a data collection process to Contractor. Contractor shall submit data to the DSH no less than quarterly per statutory requirements. The Contractor shall collect the data elements listed in Exhibit A Attachment 1. Additional elements may be added by DSH in accordance with Section 4361.

Department of State Hospitals

County of Santa Cruz
Agreement Number: 19-79003-000
Exhibit A, Scope of Work

- C. Upon receipt of the statutory data requirements (Exhibit A Attachment 1) from Contractor, DSH may use and analyze data for the purpose of program evaluation, monitoring, reporting, and research.
- D. DSH will provide a quarterly report to Contractor summarizing the statutory data requirements and outcome measures.

7. PERFORMANCE MEASURES:

A. Complete and Timely Provision of Services

- i. Expectations: Contractor is expected to provide all services, including any and all required reports, in a timely manner and in accordance with timelines established in this Scope of Work.
- ii. Penalties: Should Contractor not provide all services, including any and all required reports in a timely manner, the DSH may choose to terminate this Agreement as provided in Section 7 (O) of this Agreement. Additionally, the DSH may find Contractor to be not compliant with the terms of this Agreement and evaluate this in future contracting opportunities.

8. AMENDMENTS:

- A. The parties reserve the right to amend this Agreement for two additional terms of up to one year each, and to add funding sufficient for these periods. This right to amend is in addition to the right to amend for other reasons contained in this Agreement or noted in the solicitation that resulted in this Agreement, if applicable. Any amendment shall be in writing and signed by both parties.

Department of State Hospitals

County of Santa Cruz
 Agreement Number: 19-79003-000
 Exhibit A, Attachment 1
 Statutory Outcome Data Requirements

EXHIBIT A, ATTACHMENT 1
STATUTORY OUTCOME DATA REQUIREMENTS

The DSH shall provide a data collection process to the Contractor. Contractor shall complete and submit the required data to the DSH no less than quarterly. Contractor shall identify any data in the dataset subject to the rules of 42 Code of Federal Regulations part 2 upon submission to DSH. The data collection process shall capture, but is not limited to, the following data elements:

1. The number of individuals that the Court ordered to post-booking diversion and the length of time for which the defendant has been ordered to Felony Mental Health Diversion (Diversion).
2. The number of individuals originally declared IST on felony charges that the Court ultimately ordered to Diversion.
3. The number of individuals participating in Diversion.
4. The name, social security number, date of birth, and demographics of each individual participating in Diversion.
5. The length of time in Diversion for each participating individual.
6. The types of services and supports provided to each individual participating in Diversion.
7. The number of days each individual was in jail prior to placement in Diversion.
8. The number of days that each individual spent in each level of care facility.
9. The diagnoses of each individual participating in Diversion.
10. The nature of the charges for each individual participating in Diversion.
11. The number of individuals who completed Diversion.
12. The name, social security number and birthdate of each individual who did not complete Diversion and the reasons for not completing Diversion.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT

- A. For services satisfactorily rendered, upon implementation of the pre-trial Felony Mental Health Diversion program and upon receipt and approval of invoices submitted as described herein, the DSH agrees to compensate Contractor in accordance with the schedule of payments specified in section 5, Budget Detail.
- B. Contractor shall submit a single invoice for all initial program implementation costs associated with and pertaining to the written plan submitted to DSH in accordance with Exhibit A, Scope of Work, section 4, "Program Implementation Funds."
- C. Contractor shall submit supporting documentation for each invoice to validate outcomes achieved by the Contractor as specified in Exhibit B, Provision 5.
- D. The DSH shall not be responsible for services performed by Contractor outside of this agreement, or for services performed other than as outlined in Exhibit A, Scope of Work.

2. INSTRUCTIONS TO CONTRACTOR:

- A. To expedite the processing of invoices submitted to the DSH for distribution of funds, all invoice(s) shall be submitted to the DSH for review and approval at either:

Department of State Hospitals
Attention: Accounting Office
1600 Ninth Street, Room 141
Sacramento, CA 95814

OR
DSHSAC.AccountsPayable@dsh.ca.gov

- B. Contractor shall submit one original and three copies of each invoice, unless emailed.
- C. Contractor shall type, not handwrite, each invoice on company letterhead. The DSH may provide an invoice template, if requested, which may be used in lieu of company letterhead.
- D. Contractor shall clearly note Contractor's name and address on each invoice. The name on the invoice must match the Payee Data Record (Std. 204) and the name listed on this Agreement.
- E. Contractor shall list and itemize in accordance with the Budget Detail, all services or deliverables provided on each invoice.
- F. Contractor shall include the following on each submitted invoice:
 - i. Date(s) during which the services or deliverables were provided and the date in which the invoice was generated.
 - ii. Agreement number, which can be found on the Standard Agreement Form (Std. 213).
 - iii. Small Business certification number, if applicable
 - iv. Professional license number, if applicable

v. Invoice total

3. BUDGET CONTINGENCY CLAUSE:

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall no longer be in full force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any Fiscal Year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State or offer an Agreement amendment to Contractor to reflect the reduced amount.
- C. If this Agreement overlaps Federal and State fiscal years, should funds not be appropriated by Congress or approved by the Legislature for the Fiscal Year(s) following that during which this Agreement was executed, the State may exercise its option to cancel this Agreement.
- D. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by Congress or the Legislature which may affect the provisions or terms of funding of this Agreement in any manner.

4. PROMPT PAYMENT CLAUSE:

- A. Payment shall be made in accordance with, and within the time specified in, Government Code § 927 et seq.

5. BUDGET DETAIL:

- A. The maximum amount of this Agreement shall not exceed **\$1,362,536.00**.
- B. Funds awarded to the County pursuant to this contract shall be distributed in a total of six (6) installments as outlined below.
- C. Upon contract execution, as well as receipt and approval of the single submitted invoice, the DSH shall disburse one-time program implementation funds to Contractor not exceed **\$ 340,634.00** (up to 25% of total awarded).
- D. Upon successful admission of **5** total unduplicated Felony Mental Health Diversion Clients with a minimum length of stay of 30 days (10% of Contractor's target population goal), the DSH shall disburse program funds to Contractor not to exceed **\$ 136,254.00** (10% of total awarded). Supporting documentation required for distribution of funds shall be an itemized list of clients served by the program including admission date and if applicable, discharge date.
- E. Upon successful admission of **11** total unduplicated Felony Mental Health Diversion Clients with a minimum length of stay of 30 days (25% of Contractor's target population goal), DSH shall disburse program funds to Contractor not to exceed **\$ 204,380.00** (15% of total awarded). Supporting documentation required for distribution of funds is an itemized list of clients served by the program including admission date and if applicable, discharge date.

- F. Upon admission of **23** total unduplicated Felony Mental Health Diversion Clients with a minimum length of stay of 30 days (50% of Contractor's target population goal), DSH shall disburse the remaining funds to Contractor not to exceed \$ **272,507.00** (20% of total awarded). Supporting documentation required for distribution of funds is an itemized list of clients served by the program including admission date and if applicable, discharge date.
- G. Upon admission of **34** total unduplicated Felony Mental Health Diversion Clients with a minimum length of stay of 30 days (75% of Contractor's target population goal), DSH shall disburse the remaining funds to Contractor not to exceed \$ **204,380.00** (15% of total awarded). Supporting documentation required for distribution of funds is an itemized list of clients served by the program including admission date and if applicable, discharge date.
- H. Upon admission of **45** total unduplicated Felony Mental Health Diversion Clients with a minimum length of stay of 30 days (100% of Contractor's target population goal), DSH shall disburse the remaining funds to Contractor not to exceed \$ **204,380.00** (15% of total awarded). Supporting documentation required for distribution of funds is an itemized list of clients served by the program including admission date and if applicable, discharge date.
- I. At the sole discretion of the DSH and for the purposes of accounting, the DSH may adjust the total proposed expenditure for each fiscal year as needed. In no event will this change the contract price for the services actually rendered.
- J. Contractor shall submit all invoices within a reasonable time but, no later than 12 months from the date that services were provided. If Contractor fails to provide invoices within 12 months of the date services are rendered, the DSH may elect to reject the invoices for payment as untimely and Contractor will be deemed to have waived any right to payment of the late invoices.
- K. Contractor shall contribute a 20% or \$ **272,507.00** match in local county funds. The county match may be cash, in-kind, or a combination thereof. Local county funds allowable include but are not limited to 1991 Realignment, 2011 Realignment, and county general fund. Funding from other state or federal sources, including Medi-Cal federal financial participation, shall not be counted towards the required county match.
- L. Contractor shall utilize One Solution to track Diversion expenditures and shall provide a report itemizing Diversion expenditures and required match contributions to DSH within sixty days after the close of the months of December and June on a bi-annual basis during the term of this Agreement. A final report itemizing Diversion expenditures and required match contributions shall be due within sixty days after the termination of the agreement.

Department of State Hospitals

County of Santa Cruz
 Agreement Number: 19-79003-000
 Exhibit B, Budget Detail and Payment Provisions

EXHIBIT B, ATTACHMENT 1
SAMPLE INVOICE

THIS IS A SAMPLE.

[Insert Contractor's Department company logo/address]

INVOICE

DATE	INVOICE #

Department of State Hospitals
 Attn: Accounting Office
 1600 9th Street, Room 141
 Sacramento, CA 95814

AGREEMENT #

DSH Diversion Funding Disbursement Request				
	Disbursement		Program Benchmark	Total Disbursement Requested
<input type="checkbox"/>	One		Program Implementation	\$ _____
<input type="checkbox"/>	Two		Admission of 10% of clients	\$ _____
<input type="checkbox"/>	Three		Admission of 25% of clients	\$ _____
<input type="checkbox"/>	Four		Admission of 50% of clients	\$ _____
<input type="checkbox"/>	Five		Admission of 75% of clients	\$ _____
<input type="checkbox"/>	Six		Admission of 100% of clients	\$ _____

PLEASE MAKE REMITTANCE PAYABLE TO:
 [Insert Contractor's Department billing contact/address]

Prepared By: [Signature here]
[Insert name/title here]

Department of State Hospitals

County of Santa Cruz
 Agreement Number: 19-79003-000
 Exhibit C, General Terms and Conditions

EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. **APPROVAL**: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. **AMENDMENT**: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT**: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **AUDIT**: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896)
5. **INTENTIONALLY LEFT BLANK**
6. **DISPUTES**: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. **TERMINATION FOR CAUSE**: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
8. **INDEPENDENT CONTRACTOR**: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. **RECYCLING CERTIFICATION**: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. **NON-DISCRIMINATION CLAUSE**: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability,

Department of State Hospitals

County of Santa Cruz
Agreement Number: 19-79003-000
Exhibit C, General Terms and Conditions

medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. **CERTIFICATION CLAUSES:** The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. **TIMELINESS:** Time is of the essence in this Agreement.
13. **COMPENSATION:** The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. **GOVERNING LAW:** This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. **ANTITRUST CLAIMS:** The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

Department of State Hospitals

County of Santa Cruz
 Agreement Number: 19-79003-000
 Exhibit C, General Terms and Conditions

- c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
 - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.
16. **CHILD SUPPORT COMPLIANCE ACT:** For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. **PRIORITY HIRING CONSIDERATIONS:** If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. **SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:**
- a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
 - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

Department of State Hospitals

County of Santa Cruz
Agreement Number: 19-79003-000
Exhibit C, General Terms and Conditions

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. SUBCONTRACTS:

- A. Except for subcontracts identified in accordance with the solicitation, Contractor shall submit any subcontracts in connection with this Agreement to the DSH for its prior written approval. No work shall be subcontracted without the prior written approval of the DSH. Upon the termination of any subcontract, the DSH shall be notified immediately. Any subcontract shall include all the terms and conditions of this Agreement and its attachments.
- B. Nothing contained in this Agreement shall create any contractual relationship between the DSH and any subcontractors, and Contractor is solely responsible for payment of any and all fees, expenses, salaries and benefits of subcontractor. No subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor is fully responsible to the DSH for the acts and omissions of its subcontractors and of persons either directly or indirectly employed or acting as an agent by any of them. Contractor agrees to indemnify and hold the DSH harmless for any costs, losses or claims, including reasonable attorney fees, resulting from its subcontractors.

2. PUBLICATIONS AND REPORTS:

- A. The DSH reserves the right to use and reproduce all publications, reports, and data produced or delivered pursuant to this Agreement. The DSH further reserves the right to authorize others to use or reproduce such materials, provided the author of the report is acknowledged in any such use or reproduction.
- B. If the publication and/or report are prepared by non-employees of the DSH, and the total cost for such preparation exceeds \$5,000, the publication and/or report shall contain the numbers and dollar amounts of all agreements and subcontracts relating to the preparation of the publication and report in a separate section of the report (Gov. Code, §7550).

3. PROGRESS REPORTS:

- A. If progress reports are required by the Agreement, Contractor shall provide a progress report in writing, or orally if approved by the DSH Contract Manager, at least once a month to the DSH Contract Manager. This progress report shall include, but not be limited to, a statement that the Contractor is or is not on schedule, any pertinent reports, and any interim findings if applicable. Contractor shall cooperate with and shall be available to meet with the DSH to discuss any difficulties or special problems, so that solutions or remedies can be developed as soon as possible.

4. PRESENTATION:

- A. Upon request, Contractor shall meet with the DSH to present any findings, conclusions, and recommendations required by the Agreement for approval. If set forth in the Agreement, Contractor shall submit a comprehensive final report for approval. Both the final meeting and the final report shall be completed on or before the date indicated in this Agreement.

5. DEPARTMENT OF STATE HOSPITALS STAFF:

- A. The DSH's staff shall be permitted to work side-by-side with Contractor's staff to the extent and under conditions as directed by the DSH Contract Manager. In this connection, the DSH's staff shall be given access to all data, working papers, etc., which Contractor seeks to utilize.

6. CONFIDENTIALITY OF DATA AND DOCUMENTS:

- A. Contractor shall not disclose data or documents or disseminate the contents of the final or any preliminary report without written permission of the DSH Contract Manager. However, all public entities shall comply with California Public Records Act (Gov. Code, §6250 et seq.).
- B. Permission to disclose information or documents on one occasion shall not authorize Contractor to further disclose such information or documents on any other occasion except as otherwise provided in the Agreement or required by law.
- C. Contractor shall not comment publicly to the press, or any other media, regarding the data or documents generated, collected, or produced in connection with this Agreement, or the DSH's actions on the same, except to the DSH's staff, Contractor's own personnel involved in the performance of this Agreement, or as required by law.
- D. If requested by the DSH, Contractor shall require each of its employees or officers who will be involved in the performance of this Agreement to agree to the above terms in a form to be approved by the DSH and shall supply the DSH with evidence thereof.
- E. After any data or documents submitted has become a part of the public records of the DSH, Contractor may at its own expense and upon written approval by the DSH Contract Manager, publish or utilize the same data or documents but shall include the following Notice:

LEGAL NOTICE

This report was prepared as an account of work sponsored by the Department of State Hospitals (Department), but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department at P.O. Box 952050, Sacramento, California, 94252-2050. Neither said Department nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein, would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

7. PROVISIONS RELATING TO DATA:

- A. "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical modes, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.

- B. "Generated data" is that data, which Contractor has collected, collated, recorded, deduced, read out, or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by Contractor in the performance of this Agreement at the expense of the DSH, together with complete documentation thereof, shall be treated in the same manner as generated data.
- C. "Deliverable data" is that data which under terms of this Agreement is required to be delivered to the DSH. Such data shall be property of the State of California and the DSH.
- D. Prior to the expiration of any legally required retention period and before destroying any data, Contractor shall notify the DSH of any such contemplated action; and the DSH may within 30 days of said notification determine whether or not this data shall be further preserved. The DSH shall pay the expense of further preserving this data. The DSH shall have unrestricted reasonable access to the data that is preserved in accordance with this Agreement.
- E. Contractor shall use best efforts to furnish competent witnesses to testify in any court of law regarding data used in or generated under the performance of this Agreement.
- F. All financial, statistical, personal, technical and other data and information relating to the DSH's operation, which are designated confidential by the State or the DSH and made available to carry out the Agreement, or which become available to Contractor in order to carry out this Agreement, shall be protected by Contractor from unauthorized use and disclosure.
- G. If the DSH determines that the data and information are inadequately protected by Contractor or its subcontractors, the DSH shall provide notice of its determination and Contractor and/or its subcontractors shall improve the protections to the DSH's satisfaction which shall be evidenced by written approval of the protections implemented.

8. APPROVAL OF PRODUCT:

- A. Each product to be approved under this Agreement shall be approved by the Contract Manager. The DSH's determination as to satisfactory work shall be final, absent fraud or mistake.

9. SUBSTITUTIONS:

- A. Contractor's key personnel as indicated in its proposal may not be substituted without the Contract Manager's prior written approval.

10. NOTICE:

- A. Notice to either party shall be given by first class mail, by Federal Express, United Parcel Service or similar carrier, properly addressed, postage fully prepaid, to the address beneath the name of each respective party. Alternatively, notice may be given by personal delivery by any means whatsoever to the party and such notice shall be deemed effective when delivered.

11. WAIVER:

- A. All remedies afforded in this Agreement are cumulative; that is, in addition to every other remedy provided therein or by law. The failure of the DSH to enforce any provision of this Agreement, shall not waive its right to enforce the provision or any other provision of the Agreement.

12. GRATUITIES AND CONTINGENCY FEES:

- A. Contractor shall not provide gratuities to any officer or employee of the DSH or the State to secure an agreement or favorable treatment with respect to an agreement, the occurrence of which shall constitute a material breach of this Agreement. The DSH, by written notice to Contractor, may terminate this Agreement with cause if it is found that gratuities were offered or given by Contractor or any agent or representative of the Contractor to any officer or employee of the State or the DSH with a view toward securing an agreement or securing favorable treatment with respect to the awarding, amending, or performance of such agreement.
- B. In the event this Agreement is terminated as provided in the paragraph above, the DSH shall be entitled (a) to pursue the same remedies against Contractor as it could pursue in the event of the breach of the Agreement by Contractor, and (b) as a predetermined amount of liquidated damages, Contractor shall pay an amount which shall not be less than three times the cost incurred by Contractor in providing any such gratuities to any such officer or employee.
- C. The rights and remedies of the DSH provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- D. Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of Contractor, for the purpose of securing business. For breach or violation of this warranty, the DSH shall, among other rights, have the right to rescind this Agreement without liability, paying only for the values of the work actually returned, or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

13. INTEGRATION CLAUSE:

- A. The parties agree that this Agreement, including only the State standard form 213 and all exhibits, constitute the entire agreement of the parties and no other understanding or communication, whether written or oral, shall be construed to be a part of this Agreement.

14. CAPTIONS:

- A. The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

15. PUBLIC HEARINGS:

- A. If public hearings on the subject matter dealt with in this Agreement are held within one year from the Agreement expiration date, Contractor shall make available to testify the personnel assigned to this Agreement at the hourly rates specified in Contractor's proposed budget. The DSH shall reimburse Contractor for travel of said personnel at the Agreement, or if none, at State rates for such testimony as may be requested by the DSH.

16. FORCE MAJEURE:

- A. Neither the DSH nor Contractor shall be deemed to be in default in the performance of the terms of this Agreement if either party is prevented from performing the terms of this Agreement by causes beyond its control, which shall include without being limited to: acts of God; interference, rulings or decision by municipal, Federal, State, or other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, earthquakes, or other similar environmental causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other party written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable.

17. LITIGATION:

- A. The DSH, promptly after receiving notice thereof, shall notify Contractor in writing of the commencement of any claim, suit, or action against the DSH or its officers or employees. Contractor shall immediately notify the DSH of any claim or action against it which affects, or may affect, this Agreement, the terms or conditions hereunder, the DSH, and shall take such action with respect to said claim or action which is consistent with the terms of this Agreement and the interest of the DSH.
- B. Contractor shall be in default of this Agreement (i) upon the institution by or against Contractor of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Contractor's debts, (ii) upon Contractor making an assignment for the benefit of creditors, (iii) upon either party's dissolution or ceasing to do business or (iv) when the facts and circumstances indicate that Contractor is insolvent. For purposes of this Agreement, Contractor shall be deemed insolvent if: (i) Contractor has failed to pay salaries, overtime or benefits required by law of agreement, (ii) Contractor has failed to pay a subcontractor amounts owed pursuant to its agreements with a subcontractor, or (iii) Contractor has failed to pay a vendor amounts Contractor owes the vendor for more than 90 days the past due date for payment.

18. DISPUTES:

- A. Contractor shall first discuss and attempt to resolve any dispute arising under or relating to the performance of this Agreement, which is not disposed of by the Agreement, informally with the DSH Contract Manager. If the dispute cannot be disposed of at this level, then the dispute shall be decided by the DSH Deputy Director of Administration. All issues pertaining to this dispute shall be submitted in written statements and addressed to the Deputy Director of Administration, Department of State Hospitals, 1600 9th Street, Room 101, Sacramento, California 95814. Such written notice must contain the Agreement Number. Within ten days of receipt of the written grievance report from Contractor, the Deputy Director of Administration, or his/her designee, shall meet with Contractor and the Project Manager for the purposes of resolving the dispute. The decision of the Deputy Director shall be final. During the dispute process, Contractor shall proceed diligently with the performance of the Agreement. Neither the pendency of a dispute, nor its consideration by the Deputy Director of Administration, shall excuse Contractor from full and timely performance of the services required in accordance with the terms of this Agreement.

19. EVALUATION OF CONTRACTOR'S PERFORMANCE:

- A. The DSH shall evaluate Contractor's performance under this Agreement using standardized evaluation forms which shall be made available to every state agency pursuant to Public Contract Code §10367.

20. AUDITS, INSPECTION AND ENFORCEMENT:

- A. Contractor agrees to allow the DSH to inspect its facilities and systems, and make available for review its books and records to enable the DSH to monitor compliance with the terms of this Agreement and audit invoices submitted to the DSH.
- B. Contractor shall promptly remedy any violation of any provision of this Agreement to the satisfaction of the DSH.
- C. The fact that the DSH inspects, or fails to inspect, or has the right to inspect Contractor's facilities, systems, books and records does not relieve Contractor of its responsibility to independently monitor its compliance with this Agreement.
- D. The DSH's failure to detect or the DSH's detection of any unsatisfactory practices, but failure to notify Contractor or require Contractor's remediation of the unsatisfactory practices does not constitute acceptance of such practice or a waiver of the DSH's enforcement rights under the Agreement.

21. USE OF STATE FUNDS:

- A. Contractor, including its officers and members, shall not use funds received from the DSH pursuant to this Agreement to support or pay for costs or expenses related to the following:
 - i. Campaigning or other partisan activities to advocate for either the election or defeat of any candidate for elective office, or for or against the passage of any proposition or ballot measure; or,
 - ii. Lobbying for either the passage or defeat of any legislation.
- B. This provision is not intended and shall not be construed to limit any expression of a view, opinion, or position of any member of Contractor as an individual or private citizens, as long as State funds are not used; nor does this provision limit Contractor from merely reporting the results of a poll or survey of its membership.

22. CANCELLATION PROVISIONS:

- A. Unless otherwise specified, this Agreement may be canceled at any time by the DSH, in writing, with thirty (30) days advance notice. If canceled, payment shall be made only for the provision of services expressly authorized by this Agreement until the date of cancellation and only at the rates set forth in Exhibit B, Budget Detail. In the case of early termination, a final payment will be made to Contractor upon receipt of an invoice covering all authorized costs, at the rates set forth in Exhibit B, incurred prior to the date of cancellation or termination. The DSH shall not be responsible for unamortized costs, overhead or capital costs or any other related costs, including but, not limited to costs incurred in connection with the cancellation of leases or contracts pertaining to facilities, equipment or supplies, labor and employee benefits costs, and expenditures incurred after the date of notice of cancellation.

- B. If the DSH determines that Contractor has breached a material term of the Agreement and has not cured the breach or ended the violation within the time specified by the DSH, the DSH may terminate the contract by providing notice to Contractor. The DSH Information Security Officer shall report as required HIPAA violations to the Secretary of the U.S. Department of Health and Human Services.
- C. Failure to comply with section 1 or 6 of this Exhibit, or a violation of section 12 of this Exhibit, shall be deemed a material breach of this Agreement.

23. EMPLOYMENT PROVISIONS:

- A. Contractor acknowledges and agrees that neither Contractor, their personnel, subcontractors, nor other service providers through this Agreement are employees of the DSH. Contractor and its independent contractors shall be solely responsible for:
 - i. Paying any and all payroll taxes, including, but not limited to Social Security and Medicare taxes,
 - ii. Federal or state income tax withholding,
 - iii. Providing unemployment insurance and workers compensation insurance, and
 - iv. Paying compensation to its employees in accordance with federal and state labor laws, including overtime pay unless otherwise specified in this Agreement, as well as penalties that may be imposed for failure to comply with these laws. Contractor agrees to indemnify and hold harmless the DSH for any damages, losses, expenses, including reasonable attorney fees, in connection with its failure to pay salary or overtime, or provide benefits, including, but not limited to health care benefits or retirement benefits, to its employees, or its failure to provide to comply with federal or state labor laws.

24. LIABILITY FOR LOSS AND DAMAGES:

- A. Any damages by Contractor, their personnel, subcontractors, and other service providers through this Agreement to the DSH's facility, including equipment, furniture, materials, or other State or DSH property, shall be repaired or replaced by Contractor to the satisfaction of the DSH at Contractor's expense. The DSH, at its option, may repair any such damage and deduct the cost thereof from any sum due Contractor under this Agreement.

25. SECURITY CLEARANCE/FINGERPRINTING/TUBERCULIN SKIN TESTING:

- A. The DSH reserves the right to conduct fingerprinting, drug testing, and/or security clearance through the Department of Justice, Bureau of Criminal Identification and Information (BCII), prior to award and at any time during the term of the Agreement, in order to permit Contractor, their personnel, subcontractors, and other service providers through this Agreement access to State premises. The DSH further reserves the right to terminate this Agreement should a threat to security, by Contractor, their personnel, subcontractors, and other service providers through this Agreement, be determined.

- B. At the sole discretion of the DSH, and in accordance with each facility's Infection Control Policy, the Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement providing services may be required to provide the DSH with Tuberculin (TB) test results. These test results shall indicate completion of the two-step TB testing process using the Mantoux method. The first step is a tuberculin skin test (TST) completed within the last 12 months prior to the date the tested person is to provide services to a DSH facility. The second step is a TST which must be completed within the 30 days prior to the date the tested person is to provide services to a DSH facility, unless otherwise specified.
- C. If both of the documented results of the TST provided $\leq 0-9$ /mm of induration, then the tested person may be cleared to provide services. However, if the documented result of the TST is ≥ 10 /mm of induration, then they shall be subject to additional testing and/or clearances before he or she is allowed to work at a DSH facility.
- D. The DSH reserves the right, in its sole and absolute discretion, to take measures to minimize the transmission of influenza. Contractor, their personnel, subcontractors, and other service providers through this Agreement may be required to either a) show written proof that they have received an influenza vaccine, or b) complete an Influenza Declination Form, which will be provided upon request. In addition, all non-vaccinated providers may be required to wear a mask. In its sole and absolute discretion, DSH may elect to provide free influenza vaccines to Contractor, their personnel, subcontractors, and other service providers through this Agreement.

26. PHYSICIAN OWNERSHIP AND REFERRAL ACT OF 1993:

- A. For applicable medical services contracts, and in accordance with the Physician Ownership and Referral Act of 1993, Contractor shall not refer any patient to any health care provider or health-related facility if the Contractor has a financial interest with that health care provider or health-related facility.
- B. Contractor may make a referral to or request consultation from a sole source health care provider or health-related facility in which financial interest is held if Contractor is located where there is no alternative provider of service within either twenty-five (25) miles or forty (40) minutes travel time, subject to the prior approval of the DSH. Contractor shall disclose, in writing, as well as on a continuous basis, to the DSH, its financial interest at the time of referral or request for consultation. In no event, will this prohibit patients from receiving emergency health care services.

**DEPARTMENT OF STATE HOSPITALS
EXHIBIT F
(For Non-HIPAA/HITECH Act Contracts)**

Information Privacy and Security Requirements

This Information Privacy and Security Requirements Exhibit (For Non-HIPAA/HITECH Act Contracts) (hereinafter referred to as "this Exhibit") sets forth the information privacy and security requirements Contractor is obligated to follow with respect to all personal and confidential information (as defined herein) disclosed to Contractor, or collected, created, maintained, stored, transmitted or used by Contractor for or on behalf of the California Department of State Hospitals (hereinafter "DSH"), pursuant to Contractor's agreement with DSH. (Such personal and confidential information is referred to herein collectively as "DSH PCI".) DSH and Contractor desire to protect the privacy and provide for the security of DSH PCI pursuant to this Exhibit and in compliance with state and federal laws applicable to the DSH PCI.

- I. Order of Precedence: With respect to information privacy and security requirements for all DSH PCI, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the agreement between Contractor and DSH, including Exhibit A (Scope of Work), all other exhibits and any other attachments, and shall prevail over any such conflicting terms or conditions.
- II. Effect on lower tier transactions: The terms of this Exhibit shall apply to all contracts, subcontracts, and subawards, and the information privacy and security requirements Contractor is obligated to follow with respect to DSH PCI disclosed to Contractor, or collected, created, maintained, stored, transmitted or used by Contractor for or on behalf of DSH, pursuant to Contractor's agreement with DSH. When applicable the Contractor shall incorporate the relevant provisions of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.
- III. Definitions: For purposes of the agreement between Contractor and DSH, including this Exhibit, the following definitions shall apply:
 - A. Breach: "Breach" means:
 1. the unauthorized acquisition, access, use, or disclosure of DSH PCI in a manner which compromises the security, confidentiality or integrity of the information; or
 2. the same as the definition of "breach of the security of the system" set forth in California Civil Code section 1798.29(f).
 - B. Confidential Information: "Confidential information" means information that:
 1. does not meet the definition of "public records" set forth in California Government Code section 6252(e), or is exempt from disclosure under any of the provisions of Section 6250, et seq of the California Government Code or any other applicable state or federal laws; or
 2. is contained in documents, files, folders, books or records that are clearly labeled, marked or designated with the word "confidential" by DSH.
 - C. Disclosure: "Disclosure" means the release, transfer, provision of, access to, or divulging in any manner of information outside the entity holding the information.

- D. PCI: "PCI" means "personal information" and "confidential information" collectively (as these terms are defined herein).
- E. Personal Information: "Personal information" means information, in any medium (paper, electronic, oral) that:
1. directly or indirectly collectively identifies or uniquely describes an individual; or
 2. could be used in combination with other information to indirectly identify or uniquely describe an individual, or link an individual to the other information; or
 3. meets the definition of "personal information" set forth in California Civil Code section 1798.3, subdivision (a); or
 4. is one of the data elements set forth in California Civil Code section 1798.29, subdivision (g)(1) or (g)(2); or
 5. meets the definition of "medical information" set forth in either California Civil Code section 1798.29, subdivision (h)(2), or California Civil Code section 56.05, subdivision (j); or
 6. meets the definition of "health insurance information" set forth in California Civil Code section 1798.29, subdivision (h)(3); or
 7. is protected from disclosure under applicable state or federal law.
- F. Security Incident: "Security Incident" means:
1. an attempted breach; or
 2. the attempted or successful unauthorized access or disclosure, modification or destruction of DSH PCI, in violation of any state or federal law or in a manner not permitted under the agreement between Contractor and DSH, including this Exhibit; or
 3. the attempted or successful modification or destruction of, or interference with, Contractor's system operations in an information technology system, that negatively impacts the confidentiality, availability or integrity of DSH PCI; or
 4. any event that is reasonably believed to have compromised the confidentiality, integrity, or availability of an information asset, system, process, data storage, or transmission. Furthermore, an information security incident may also include an event that constitutes a violation or imminent threat of violation of information security policies or procedures, including acceptable use policies.
- G. Use: "Use" means the sharing, employment, application, utilization, examination, or analysis of information.
- IV. Disclosure Restrictions: The Contractor and its employees, agents, and subcontractors shall protect from unauthorized disclosure any DSH PCI. The Contractor shall not disclose, except as otherwise specifically permitted by the agreement between Contractor and DSH (including this Exhibit), any DSH PCI to anyone other than DSH personnel or programs without prior written authorization from the DSH Program Contract Manager, except if disclosure is required by State or Federal law.

Department of State Hospitals

County of Santa Cruz

Agreement Number: 19-79003-000

Exhibit F, Information Privacy and Security Requirements

- V. 42 C.F.R. Part 2 compliance: DSH shall receive patient identifying substance use disorder treatment information for program evaluation and auditing purposes. In accordance with 42 C.F.R. part 2.53, DSH agrees to:
- (i) Maintain and destroy patient identifying information and records covered by 42 C.F.R. Part 2 in a manner consistent with the policies and procedures established under 42 C.F.R. part 2.16;
 - (ii) Retain records in compliance with applicable federal, state, and local record retention laws; and
 - (iii) Comply with the limitations on disclosure and use in 42 C.F.R. part 2.53(d).
- VI. Use Restrictions: The Contractor and its employees, agents, and subcontractors shall not use any DSH PCI for any purpose other than performing the Contractor's obligations under its agreement with DSH. DSH and its employees, agents, and subcontractors shall not use any data received from contractor for any purpose other than noted in this agreement, Welfare and Institutions Code section 4361, or Assembly Bill 1810.
- VII. Research compliance: DSH is a covered entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). DSH shall receive protected health information and patient identifying substance use disorder treatment information for research purposes. In accordance with 42 C.F.R. part 2.52(a) and 45 C.F.R. part 164.512(i), DSH shall only use the data received from contractor for research purposes after obtaining approval from the State of California's Institutional Review Board, the California Health and Human Services' Committee for the Protection of Human Subjects. DSH shall follow all of its internal policies and procedures for obtaining approval for research using data reported by contractor. DSH agrees to comply with HIPAA and 42 C.F.R. Part 2 regarding all requirements including retention and destruction.
- VIII. Safeguards: The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the privacy, confidentiality, security, integrity, and availability of DSH PCI, including electronic or computerized DSH PCI. At each location where DSH PCI exists under Contractor's control, the Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities in performing its agreement with DSH, including this Exhibit, and which incorporates the requirements of Section VII, Security, below. Contractor shall provide DSH with Contractor's current and updated policies within five (5) business days of a request by DSH for the policies.
- IX. Security: The Contractor shall take any and all steps reasonably necessary to ensure the continuous security of all computerized data systems containing DSH PCI. These steps shall include, at a minimum, complying with all of the data system security precautions listed in the Contractor Data Security Standards set forth in Attachment 1 to this Exhibit.
- X. Security Officer: At each place where DSH PCI is located, the Contractor shall designate a Security Officer to oversee its compliance with this Exhibit and to communicate with DSH on matters concerning this Exhibit.
- XI. Training: The Contractor shall provide training on its obligations under this Exhibit, at its own expense, to all of its employees who assist in the performance of Contractor's obligations under Contractor's agreement with DSH, including this Exhibit, or otherwise use or disclose DSH PCI.
- A. The Contractor shall require each employee who receives training to certify, either in hard copy or electronic form, the date on which the training was completed.

Department of State Hospitals

County of Santa Cruz
Agreement Number: 19-79003-000

Exhibit F, Information Privacy and Security Requirements

- B. The Contractor shall retain each employee's certifications for DSH inspection for a period of three years following contract termination or completion.
- C. Contractor shall provide DSH with its employee's certifications within five (5) business days of a request by DSH for the employee's certifications.
- XII. Employee Discipline: Contractor shall impose discipline that it deems appropriate (in its sole discretion) on such employees and other Contractor workforce members under Contractor's direct control who intentionally or negligently violate any provisions of this Exhibit.
- XIII. Breach and Security Incident Responsibilities:
- A. Notification to DSH of Breach or Security Incident: The Contractor shall notify DSH **immediately by telephone call plus email or fax** upon the discovery of a breach (as defined in this Exhibit), **and within twenty-four (24) hours by email or fax** of the discovery of any security incident (as defined in this Exhibit), unless a law enforcement agency determines that the notification will impede a criminal investigation, in which case the notification required by this section shall be made to DSH immediately after the law enforcement agency determines that such notification will not compromise the investigation. Notification shall be provided to the DSH Program Contract Manager, the DSH Privacy Officer and the DSH Chief Information Security Officer, using the contact information listed in Section XI(F), below. If the breach or security incident is discovered after business hours or on a weekend or holiday and involves DSH PCI in electronic or computerized form, notification to DSH shall be provided by calling the DSH Information Security Office at the telephone numbers listed in Section XI(F), below. For purposes of this Section, breaches and security incidents shall be treated as discovered by Contractor as of the first day on which such breach or security incident is known to the Contractor, or, by exercising reasonable diligence would have been known to the Contractor. Contractor shall be deemed to have knowledge of a breach if such breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the breach, who is an employee or agent of the Contractor.
- Contractor shall take:
1. prompt corrective action to mitigate any risks or damages involved with the breach or security incident and to protect the operating environment; and
 2. any action pertaining to a breach required by applicable federal and state laws, including, specifically, California Civil Code section 1798.29 and 1798.82.
- B. Investigation of Breach and Security Incidents: The Contractor shall immediately investigate such breach or security incident. As soon as the information is known and subject to the legitimate needs of law enforcement, Contractor shall inform the DSH Program Contract Manager, the DSH Privacy Officer, and the DSH Chief Information Security Officer of:
1. what data elements were involved, and the extent of the data disclosure or access involved in the breach, including, specifically, the number of individuals whose personal information was breached; and
 2. a description of the unauthorized persons known or reasonably believed to have improperly used the DSH PCI and/or a description of the unauthorized persons known or reasonably believed to have improperly accessed or acquired the DSH PCI, or to whom it is known or reasonably believed to have had the DSH PCI improperly disclosed to them; and

Department of State Hospitals

County of Santa Cruz

Agreement Number: 19-79003-000

Exhibit F, Information Privacy and Security Requirements

3. a description of where the DSH PCI is believed to have been improperly used or disclosed; and
 4. a description of the probable and proximate causes of the breach or security incident; and
 5. whether Civil Code section 1798.29 and 1798.82 or any other federal or state laws requiring individual notifications of breaches have been triggered.
- C. Written Report: The Contractor shall provide a written report of the investigation to the DSH Program Contract Manager, the DSH Privacy Officer, and the DSH Chief Information Security Officer as soon as practicable after the discovery of the breach or security incident. The report shall include, but not be limited to, the information specified above, as well as a complete, detailed corrective action plan, including information on measures that were taken to halt and/or contain the breach or security incident, and measures to be taken to prevent the recurrence or further disclosure of data regarding such breach or security incident.
- D. Notification to Individuals: If notification to individuals whose information was breached is required under state or federal law, and regardless of whether Contractor is considered only a custodian and/or non-owner of the DSH PCI, Contractor shall, at its sole expense, and at the sole election of DSH, either:
1. make notification to the individuals affected by the breach (including substitute notification), pursuant to the content and timeliness provisions of such applicable state or federal breach notice laws. Contractor shall inform the DSH Privacy Officer of the time, manner and content of any such notifications, prior to the transmission of such notifications to the individuals; or
 2. cooperate with and assist DSH in its notification (including substitute notification) to the individuals affected by the breach.
- E. Submission of Sample Notification to Attorney General: If notification to more than 500 individuals is required pursuant to California Civil Code section 1798.29 or 1798.82, and regardless of whether Contractor is considered only a custodian and/or non-owner of the DSH PCI, Contractor shall, at its sole expense, and at the sole election of DSH, either:
1. electronically submit a single sample copy of the security breach notification, excluding any personally identifiable information, to the Attorney General pursuant to the format, content and timeliness provisions of Section 1798.29, subdivision (e), or 1798.82, subdivision (f). Contractor shall inform the DSH Privacy Officer of the time, manner and content of any such submissions, prior to the transmission of such submissions to the Attorney General; or
 2. cooperate with and assist DSH in its submission of a sample copy of the notification to the Attorney General.
- F. DSH Contact Information: To direct communications to the above referenced DSH staff, the Contractor shall initiate contact as indicated herein. DSH reserves the right to make changes to the contact information below by verbal or written notice to the Contractor. Said changes shall not require an amendment to this Exhibit or the agreement to which it is incorporated.

Department of State Hospitals

County of Santa Cruz

Agreement Number: 19-79003-000

Exhibit F, Information Privacy and Security Requirements

DSH Program Contract Manager	DSH Privacy Officer	DSH Chief Information Security Officer
See the Scope of Work exhibit for Program Contract Manager	Chief Privacy Officer (A) Office of Legal Services California Dept. State Hospitals 1600 9 th Street, Room 433 Sacramento, CA 95814 Email: yamin.scardigli@dsh.ca.gov Telephone: (916) 562-3721	Chief Information Security Officer Information Security Office 1600 9 th Street, Suite 250 Sacramento, CA 95814 Email: iso@dsh.ca.gov and security@dsh.ca.gov Telephone: 916-654-4218

- XIV. Documentation of Disclosures for Requests for Accounting: Contractor shall document and make available to DSH or (at the direction of DSH) to an Individual such disclosures of DSH PCI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of personal information as required by Civil Code section 1798.25, or any applicable state or federal law.
- XV. Requests for DSH PCI by Third Parties: The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DSH Program Contract Manager all requests for disclosure of any DSH PCI requested by third parties to the agreement between Contractor and DSH (except from an Individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.
- XVI. Audits, Inspection and Enforcement: DSH may inspect the facilities, systems, books and records of Contractor to monitor compliance with this Exhibit. Contractor shall promptly remedy any violation of any provision of this Exhibit and shall certify the same to the DSH Program Contract Manager in writing.
- XVII. Return or Destruction of DSH PCI on Expiration or Termination: Upon expiration or termination of the agreement between Contractor and DSH for any reason, Contractor shall securely return or destroy the DSH PCI. If return or destruction is not feasible, Contractor shall provide a written explanation to the DSH Program Contract Manager, the DSH Privacy Officer and the DSH Chief Information Security Officer, using the contact information listed in Section XI(F), above.
- A. Retention Required by Law: If required by state or federal law, Contractor may retain, after expiration or termination, DSH PCI for the time specified as necessary to comply with the law.
- B. Obligations Continue Until Return or Destruction: Contractor's obligations under this Exhibit shall continue until Contractor destroys the DSH PCI or returns the DSH PCI to DSH; provided however, that on expiration or termination of the agreement between Contractor and DSH, Contractor shall not further use or disclose the DSH PCI except as required by state or federal law.
- C. Notification of Election to Destroy DSH PCI: If Contractor elects to destroy the DSH PCI, Contractor shall certify in writing within 30 days of the expiration or termination of the agreement to the DSH Program Contract Manager, the DSH Privacy Officer and the DSH Chief Information Security Officer, using the contact information listed in Section XI(F), above, that the DSH PCI has been securely destroyed. The notice shall include the date and type of destruction method used.

Department of State Hospitals

County of Santa Cruz

Agreement Number: 19-79003-000

Exhibit F, Information Privacy and Security Requirements

- XVIII. Amendment: The parties acknowledge that federal and state laws regarding information security and privacy rapidly evolves and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of DSH PCI. The parties agree to promptly enter into negotiations concerning an amendment to this Exhibit consistent with new standards and requirements imposed by applicable laws and regulations.
- XIX. Assistance in Litigation or Administrative Proceedings: Contractor shall make itself and any subcontractors, workforce employees or agents assisting Contractor in the performance of its obligations under the agreement between Contractor and DSH, available to DSH at no cost to DSH to testify as witnesses, in the event of litigation or administrative proceedings being commenced against DSH, its director, officers or employees based upon claimed violation of laws relating to security and privacy, which involves inactions or actions by the Contractor, except where Contractor or its subcontractor, workforce employee or agent is a named adverse party.
- XX. No Third-Party Beneficiaries: Nothing express or implied in the terms and conditions of this Exhibit is intended to confer, nor shall anything herein confer, upon any person other than DSH or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- XXI. Interpretation: The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.
- XXII. Survival: If Contractor does not return or destroy the DSH PCI upon the expiration or termination of the Agreement, the respective rights and obligations of Contractor under Sections VI, VII and XI of this Exhibit shall survive the completion or termination of the agreement between Contractor and DSH.

Attachment 1

Contractor Data Security Standards

1. General Security Controls

- A. **Confidentiality Statement.** All persons that will be working with DSH PCI must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DSH PCI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DSH inspection for a period of three (3) years following contract termination.
- B. **Background check.** Before a member of the Contractor's workforce may access DSH PCI, Contractor must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk for theft of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.
- C. **Workstation/Laptop encryption.** All workstations and laptops that process and/or store DSH PCI must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. The encryption solution must be full disk unless approved by the DSH Information Security Office.
- D. **Server Security.** Servers containing unencrypted DSH PCI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- E. **Minimum Necessary.** Only the minimum necessary amount of DSH PCI required to perform necessary business functions may be copied, downloaded, or exported.
- F. **Removable media devices.** All electronic files that contain DSH PCI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smart devices tapes etc.). PCI must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher.
- G. **Antivirus software.** All workstations, laptops and other systems that process and/or store DSH PCI must install and actively use a comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- H. **Patch Management.** All workstations, laptops and other systems that process and/or store DSH PCI must have operating system and application security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- I. **User IDs and Password Controls.** All users must be issued a unique user name for accessing DSH PCI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password. Passwords are not to be shared. Must be at least eight characters. Must be a non-dictionary word. Must not be stored in readable format on the computer. Must be changed every 60 days. Must be changed if revealed.

or compromised. Must be composed of characters from at least three of the following four groups from the standard keyboard:

- Upper case letters (A-Z)
- Lower case letters (a-z)
- Arabic numerals (0-9)
- Non-alphanumeric characters (punctuation symbols)

- J. **Data Sanitization.** All DSH PCI must be sanitized using NIST Special Publication 800-88 standard methods for data sanitization when the DSH PCI is no longer needed.

2. System Security Controls

- A. **System Timeout.** The system must provide an automatic timeout, requiring reauthentication of the user session after no more than 20 minutes of inactivity.
- B. **Warning Banners.** All systems containing DSH PCI must display a warning banner each time a user attempts access, stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.
- C. **System Logging.** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DSH PCI, or which alters DSH PCI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. This logging must be included for all user privilege levels including, but not limited to, systems administrators. If DSH PCI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- D. **Access Controls.** The system must use role based access controls for all user authentications, enforcing the principle of least privilege.
- E. **Transmission encryption.** All data transmissions of DSH PCI outside the contractor's secure internal network must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. Encryption can be end to end at the network level, or the data files containing DSH PCI can be encrypted. This requirement pertains to any type of DSH PCI in motion such as website access, file transfer, and E-Mail.
- F. **Intrusion Detection.** All systems involved in accessing, holding, transporting, and protecting DSH PCI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3. Audit Controls

- A. **System Security Review.** All systems processing and/or storing DSH PCI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning tools.
- B. **Log Reviews.** All systems processing and/or storing DSH PCI must have a routine procedure in place to review system logs for unauthorized access.

- C. **Change Control.** All systems processing and/or storing DSH PCI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4. Business Continuity / Disaster Recovery Controls

- A. **Disaster Recovery.** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DSH PCI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this agreement for more than 24 hours.
- B. **Data Backup Plan.** Contractor must have established documented procedures to securely backup DSH PCI to maintain retrievable exact copies of DSH PCI. The backups shall be encrypted. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore DSH PCI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DSH data.

5. Paper Document Controls

- A. **Supervision of Data.** DSH PCI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DSH PCI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. **Escorting Visitors.** Visitors to areas where DSH PCI is contained shall be escorted and DSH PHI shall be kept out of sight while visitors are in the area.
- C. **Confidential Destruction.** DSH PCI must be disposed of through confidential means, using NIST Special Publication 800-88 standard methods for data sanitization when the DSH PSCI is no longer needed.
- D. **Removal of Data.** DSH PCI must not be removed from the premises of the Contractor except with express written permission of DSH.
- E. **Faxing.** Faxes containing DSH PCI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending.
- F. **Mailing.** DSH PCI shall only be mailed using secure methods. Large volume mailings of DSH PHI shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a DSH approved solution, such as a solution using a vendor product specified on the CALIFORNIA STRATEGIC SOURCING INITIATIVE.

Report SCZCM1000: County Form ADM-29

37.b

Contract No. 20R0247

Contractor V99999 VENDORLESS VENDOR

Type	RV	Revenue Agreement			
Manager		Security Code	3630	Health - MENTAL HEALTH (DIV	
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt	Encumbrance Total	
\$1,362,536.00	\$0.00	\$1,362,536.00	\$0.00	\$0.00	
Administrator		CAL Sec	REVENUE	Revenue Agreement	

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the Health - MENTAL HEALTH (DIV 30 and VENDORLESS VENDOR.

The agreement will provide CA Depart State Hospitals (DSH) - Jail Diversion

Period of agreement is from 10/8/2019 to 10/7/2022.

Anticipated Cost is \$1,362,536.00.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qnty	Units	Price	Extd Amt
1	2020	GL 363101 - 40894 / JL -	1	EA	\$1,362,536.0	\$1,362,536.0

A pre-trial jail felony mental health diversion program.

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/25/19 14:14:25	WOLCOTJ	Justine Wolcott	Contract Initiator	Self-Approved	Accepted
Note Agreement #20R0247 for BOS					
10/25/19 14:14:31	WOLCOTJ	Justine Wolcott	Departmental Manager	Appropriations Are Available	Accepted
10/25/19 14:17:56	CAO053	Sven Stafford	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

 THIS AGREEMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS AS
 CERTIFIED BY THE CLERK OF THE BOARD

Attachment: ADM29 20R0247 (7648 : Diversion Grant: Approve Grant Agreement)



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Parks, Open Space & Cultural Services
(831) 454-7901

Subject: California River Parkways Grant Award

Meeting Date: November 5, 2019

Recommended Action(s):

Adopt resolution accepting unanticipated revenue in the amount of \$1,499,699 from the CA River Parkways grant for the Soquel Creek Linear Parkway project.

Executive Summary

Accepting unanticipated revenue in the amount of \$1,499,699 will allow the Parks Department to complete design and construction of the Soquel Creek Linear Parkway project (Soquel Parkway).

Background

The Soquel Parkway will extend the existing trail and riparian restoration from the Heart of Soquel Park to the “Main Street” pedestrian bridge, adjacent to the Soquel Lions Park, and will create a continuous walking loop around Soquel Village. The project will connect the schools, businesses and residents of Soquel Village.

On September 25, 2018, the Board of Supervisors adopted a resolution authorizing the Parks Department to submit three grant applications for the Soquel Parkway project: one application to the CA River Parkways grant program, and two for the State Parks-Habitat Conservation Fund (HCF) grant program. The CA River Parkways grant application was approved for award in Spring 2019 and the grant agreement was finalized in September 2019.

Analysis

The September 25, 2018 board memo stated, “the most advantageous grant would be selected for final approval”. The HCF grant will only include riparian restoration and requires a 25% match. The Parks Department has decided to recommend accepting the CA River Parkways grant award, and not accept the HCF grant for riparian restoration.

The CA River Parkways grant will provide funding for all the Soquel Parkway project components, including trail work and riparian restoration, with a required 20% match. The CA River Parkways grant provides a greater financial benefit to the County than the HCF grant as it will provide funding for both the trail and riparian restoration with a lesser required match.

The Parks Department anticipates completing the construction of the Soquel Parkway in the late fall/early winter of 2020 with the use of these unanticipated grant funds. Approving the attached resolution accepting unanticipated revenue in the amount of

\$1,499,699 will allow the project to stay on schedule with this augmentation of funds. The project is consistent with many elements of the Parks Department's Strategic Plan including objectives 1.3 Accessibility, 1.5 Underserved Areas, and 4.1 Resource Management Partnerships.

Financial Impact

The grant requires a 20% match equaling \$299,939.80. Part of the grant match will be provided by in-kind volunteers hours, and by the California Conservation Corps via the \$174,000 Active Transportation Program grant which they have received. Sufficient funds for the remaining grant match are available from Measure G Funds (GL Key 191877/86110, JL Keys RP00322 & RP00324).

Strategic Plan Element(s)

The Soquel Parkway project is consistent with the County's goals of 1.A (Health Equity), 3.B (Community Mobility), 2.B (Community Development) 4. A-D (Sustainable Environment components of Outdoor Experience, Natural Resources, Local Conservation and Climate Change) and 5.C (Dynamic Economy).

Submitted by:

Jeff Gaffney, Director of Parks, Open Spaces & Cultural Services

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution AUD-60

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

Resolution No. _____

On the motion of Supervisor _____
Duly seconded by Supervisor _____
The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$1,499,699, from California Natural Resources Agency, for the Soquel Creek Linear Parkway Project; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$1,499,699 for use by the Parks Department for the Soquel Creek Linear Parkway Project.

<u>GL Key</u>	<u>Revenue Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
194911	41155	R00322	41155	Aid from Other Gov Agencies	\$1,499,699

and that such funds be and are hereby appointed as follows:

<u>GL Key</u>	<u>Expenditure Object</u>	<u>IL Key</u>	<u>IL Object</u>	<u>Acct Name</u>	<u>Amount</u>
194911	86110	R00322	RJ6	Buildings & Improvements	\$1,499,699

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California, this _____ day of _____, 20__ by the following vote (requires four-fifths vote for approval):

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSENT: SUPERVISORS _____

Chair of the Board

ATTEST:

Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the Revenue(s) (has been)(will be)received within the current fiscal year.

By: *[Signature]*
Department Head

Date: 10/15/19

COUNTY ADMINISTRATIVE OFFICER

/ x / Recommended to Board

/ ____ / Not recommended to Board

APPROVED AS TO FORM:

[Signature]
County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

[Signature]
Auditor-Controller-Treasurer-Tax Collector
194911 (41155/B6110)

Distribution:

Auditor-Controller-Treasurer-Tax Collector
County Counsel
County Administrative Officer
Originating Department



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Planning: Sustainability and Special Projects
(831) 454-2580

Subject: Adoption of 2019 California Building Standards Code and Local Amendments

Meeting Date: November 5, 2019

Recommended Action(s):

1. Schedule a public hearing on November 19, 2019 to consider adopting an ordinance amending Chapter 12.10 of the Santa Cruz County Code for the purpose of adopting the 2016 California Building Standards Code and local amendments; and
2. Direct the Clerk to provide the required public notice for the meeting.

Executive Summary

An ordinance amending the Santa Cruz County Code must be adopted by the Board of Supervisors at a public hearing.

Background

Chapter 12.10 of the Santa Cruz County Code adopts the California Building Standards Code with local amendments as the building code of the County. Every three years, the State of California adopts revisions to the California Building Standards Code. The County must adopt the revised California Building Standards Code and local amendments on this same three-year cycle.

Analysis

The year 2019 is a triennial building code adoption year. The State of California has adopted revisions to the California Building Standards Code consisting of the California Building Code; Plumbing, Mechanical, and Electrical Codes; Energy Code; Green Building Code (CALGreen); and related codes. Staff has prepared for the Board's consideration a proposed ordinance amending Chapter 12.10 of the Santa Cruz County Code adopting the California Building Standards Code with revisions to address local conditions. In order to take effect by January 1, 2020, the ordinance adopting the State code with local amendments must be approved in concept by your Board on November 19, 2019, with a second reading and final adoption on December 10, 2019.

Strategic Plan Element(s)

Health Equity: Adoption of the latest version of the California Building Standards Code promotes a safe and healthy community that nurtures body and mind across all ages and social conditions.

Submitted by:

Kathleen Molloy, Planning Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Notice of Public Hearing

**Notice of Public Hearing
Before the Board of Supervisors
Of the County of Santa Cruz**

Notice is hereby given that the Santa Cruz County Board of Supervisors has scheduled a public hearing for Tuesday November 19, 2019 at 9:00 a.m. or thereafter in the Board Chambers, 701 Ocean Street, Room 525, Santa Cruz, California, to consider adopting in concept an ordinance amending Chapter 12.10 of the Santa Cruz County Code, for the purpose of adopting the 2019 California Building Standards Code and local amendments.

Note: The public may attend the public hearing and/or comment on this matter. Testimony may be presented in person or submitted in written form prior to the hearing and made a part of the hearing record.

If any person challenges an action taken on the foregoing matters in court, they may be limited to raising only those issues raised at the public hearing described in this notice or in written correspondence delivered to the Board of Supervisors at or prior to the public hearing.

For more information on this subject, contact David Carlson of the Planning Department at 454-3173.

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board of Supervisors Chambers is located in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the ADA coordinator at (831) 454-2323 at least 72 hours in advance of the meeting to make arrangements; for TDD/TTY, dial 711.

As a courtesy to those persons affected, please attend the meeting smoke and scent free.

BY ORDER OF THE BOARD OF SUPERVISORS

By: Susan Galloway

Chief Deputy Clerk of the Board



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Planning: Permit Centers

(831) 454-2580

Subject: Schedule Public Hearing 12/10/2019 of the Portola Drive Mixed-Use Development

Meeting Date: November 5, 2019

Recommended Action(s):

- 1) Schedule a public hearing for Tuesday, December 10, 2019 at 9:00 a.m. or thereafter, to consider application 181263, which includes a Commercial Development Permit and Coastal Development Permit to construct a 33,010 square foot two and three-story mixed-use building containing five retail tenant spaces, a leasing office and 33 residential units subject to a request for a 50% Density Bonus, and two 3,230 square foot one-story residential carports. In addition, to affirm that the project qualifies for a Statutory Exemption from the California Environmental Quality Act pursuant to Public Resources Code (PRC) section 21159.25, and take related actions, as recommended by the Planning Director; and
- 2) Direct the Clerk of the Board to publish a notice of the public hearing one time at least 10 days before the public hearing date, as required.

Executive Summary

The Board of Supervisors is the decision-making body for the application and is required to hold a public hearing to consider the application and environmental documents.

Background

The Planning Commission held a public hearing on September 25, 2019, and took action to recommend that the Board of Supervisors approve application 181263, a proposal to demolish two existing buildings and other miscellaneous structures and to construct a 33,010 square foot two- and three-story mixed-use building with 5 retail units, a leasing office and 4 one-bedroom residential units at the lower floor, 9 one-bedroom units and 33 storage rooms at the middle level at the rear of the building, and 20 two-bedroom apartments at the upper floor, and to construct two 3,230 square foot, one-story carports for residential tenants. The site is zoned Community Commercial (C-2) and is located at 3911 and 3946 Portola Drive. The project includes a request for a 50% residential density bonus in exchange for provision of 4 very low income affordable rental units. Two "concessions" have also been requested: 1) flexibility under County Code section 13.10.332 and General Plan policy 2.12.3, which limits the percentage of residential floor area in a mixed-use project, to allow the project to consist of 73% residential and 27% commercial floor area; and 2) a reduced rear setback between the rear property line and the residential carports to an average of 5 feet 6 inches.

This project qualifies for a Statutory Exemption from the California Environmental Quality Act pursuant to Public Resources Code (PRC) section 21159.25.

Analysis

The Board of Supervisors is required to hold a public hearing to consider the application. It is proposed that the public hearing be held on December 10, 2019. If the Board acts to schedule the public hearing, required public noticing will be carried out in advance of the public hearing.

Strategic Plan Element(s)

The proposed development of a mixed-use project containing community-serving retail and restaurant uses, together with residential rental apartments, will further plan goals of attainable housing, dynamic economy and sustainable environment.

Submitted by:

Kathleen Molloy, Planning Director

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Board Hearing Notice

**Notice of Public Hearing
Before the Board of Supervisors
of the County of Santa Cruz**

Notice is hereby given that the Santa Cruz County Board of Supervisors has scheduled a public hearing for December 10, 2019 at 9:00am or thereafter in the Board Chambers, 701 Ocean Street, Room 525, Santa Cruz, California, to consider the recommendation of the Planning Commission to approve Application Number 181263 (Haghshenas), a Commercial Development Permit and Coastal Development Permit for a commercial mixed-use development consisting of a 33,010 square foot, two- and three-story mixed-use building containing five retail tenant spaces, a leasing office and 33 residential units (subject to a request for a 50% Density Bonus) and two 3,230 square foot, one-story residential carports, in the C-2 (Community Commercial) zone district, and to accept the determination that the project qualifies for a Statutory Exemption from the California Environmental Quality Act pursuant to Public Resources Code (PRC) section 21159.25, as recommended by the Planning Director.

The property is located on the north side of Portola Drive (3911 and 3946 Portola Drive) approximately 350 feet west of the intersection with 41st Avenue in Live Oak, Assessor's Parcel Number 032-051-36.

Note: The public may attend the public hearing and/or comment on this matter. Testimony may be presented in person or submitted in written form prior to the hearing and made a part of the hearing record.

If any person challenges an action taken on the foregoing matters in court, they may be limited to raising only those issues raised at the public hearing described in this notice or in written correspondence delivered to the Board of Supervisors at or prior to the public hearing.

For more information on this subject, contact Lezanne Jeffs of the Planning Department at 454-2480.

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board of Supervisors Chambers is located in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the ADA coordinator at (831) 454-2323 at least 72 hours in advance of the meeting to make arrangements; for TDD/TTY, dial 711.

As a courtesy to those persons affected, please attend the meeting smoke and scent free.

BY ORDER OF THE BOARD OF SUPERVISORS

By: Susan Galloway
Chief Deputy Clerk of the Board



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: DPW: Recycling
(831) 454-2160

Subject: Contract Amendment # 19D2308 - 2018/2019 Fiscal Year Invoices for Recycling and Solid Waste

Meeting Date: November 5, 2019

Recommended Actions

- 1) Authorize payment of \$18,294.61 to Downtown Streets Team (Purchase Order Number 19B01422) for litter abatement and clean-up services completed in 2018-19 fiscal year;
- 2) Approve the amendment to agreement with Peterson Tractor Company to increase compensation by \$311.47 for a not-to-exceed amount of \$263,307.76 to Peterson Tractor Company, Inc., (Contract No. 19D2308) for heavy equipment and repair services completed in the 2018-19 fiscal year;
- 3) Authorize payment of \$215.67 to Altec, Industries, Inc. (Purchase Order Number 18B72710) for heavy equipment parts services completed in the 2017-18 fiscal year; and
- 4) Authorize the Director of Public Works to sign the amendment to agreement on behalf of the County.

Executive Summary

Public Works received some late invoices for services rendered that fall beyond the time frame allowable to pay without Board approval. An amendment is also needed to increase the Peterson contract for \$311.47 to assure the vendor is fully compensated for parts and service needed to maintain the heavy equipment at the County's disposal sites provided in fiscal year 2018-19.

Background

Public Works, Recycling and Solid Waste Services utilize many vendors to support the operations of the County's disposal sites. The following fees for services provided to Recycling and Solid Waste Services in fiscal years 2017-18 and 2018-19 were inadvertently left unpaid: two (2) invoices for Downtown Streets Team, totaling \$18,294.61 for litter abatement and clean-up services; one (1) invoice from Altec Industries, Inc., totaling \$215.67 for heavy equipment parts service; and two (2) invoices for Peterson Tractor Company, Inc., totaling \$311.47 for heavy equipment and repair services.

Analysis

In order to assure these vendors are fully reimbursed for services provided to the

County, Public Works is requesting that the Board authorize lump-sum payments in the amount of \$18,294.61 to Downtown Streets Team, and \$215.67 to Altec Industries, Inc., and approve the attached amendment to agreement with Peterson Tractor Company increasing the compensation by \$311.47 for a not-to-exceed total of \$263,307.76 for fiscal year 2018-19 only. Funds are available in the County Service Area No. 9C, Recycling, and Solid Waste Services, 2019-20 Budget (GL#625110) to pay these expenses.

Financial Impact

The \$18,294.61 for Downtown Streets Team was budgeted and accrued in 625110/62330/P51028. The \$215.67 was budgeted in the 2017-18 budget, and money is available within 625110/62330/P51320. The \$311.47 for Peterson was not budgeted in 2018-19, however, we do have money available within 625110/62330/P51320.

Strategic Plan Elements

4.B (Sustainable Environment: Natural Resources) Cleaning litter on public beaches and waterways supports the County's commitment to protect and restore natural resources.

6.C (County Operational Excellence: County Infrastructure) Maintenance and care of the fleet of heavy equipment supports and optimizes operation of the County disposal sites, which meets the goal to responsibly maintain County assets.

Submitted by:

Matt Machado, Deputy CAO, Director of Public Works

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Downtown Streets July 2018 Invoice
- b Downtown Streets August 2018 Invoice
- c Amendment Contract #19D2308 Peterson Tractor
- d ADM-29 Amendment 19D2308 Peterson Tractor
- e Altec Industries 2017-18 Invoice

FY2018-19

APPROVED FOR PAYMENTPO/CO# 19B01422

PO/CO WA#

TRANSFER TO WA#

BY Brau T. HawkstordDATE 9/3/2019

Expenditures Report for: Downtown Streets Team
CalFresh Employment & Training (CFET)
50/50 Match Invoice for Federal Reimbursement

Vendor	Downtown Streets Team	
County	Santa Cruz	
Department	Public Works	
Report Period:	7/1/18	7/31/18
Due Date:	8/30/18	

Contract Number:	19W4054
Contract Term:	Jul. 1, 2018 - June. 30, 2019
Gr Key-Object:	60100-63000
JL Key-Object:	WCEC3-W364007
Invoice Number:	PO1422-18-07

Note: some cells auto-calculate

	Budget	Prior Expenditures	Monthly Expenditures	YTD Expenditures	Remaining Balance	% Spent
Total Clean-up Program cost						
Personnel Costs	\$53,900.00		\$4,961.65	\$4,961.65	\$48,938.35	9%
Non Personnel Costs	\$8,469.00		\$2,762.00	\$2,762.00	\$5,707.00	33%
Participant Costs-Transportation	\$2,306.00		\$43.12	\$43.12	\$2,262.88	2%
Participant Costs - Ancillary	\$29,674.00		\$1,696.25	\$1,696.25	\$27,977.75	6%
	\$94,349.00	\$0.00	\$9,463.02	\$9,463.02	\$84,885.98	10%
Public Works costs						
Personnel Costs	\$31,262.00		\$4,961.65	\$4,961.65	\$26,300.35	
Non Personnel Costs	\$8,469.00		\$2,762.00	\$2,762.00	\$5,707.00	
Participant Costs-Transportation	\$2,000.00		\$43.12	\$43.12	\$1,956.88	
Participant Costs - Ancillary	\$6,920.00		\$1,696.25	\$1,696.25	\$5,223.75	
Totals	\$48,651.00	\$0.00	\$9,463.02	\$9,463.02	\$39,187.98	
Total CFET eligible cost (cannot be a formula)						
Personnel Costs	\$22,638.00		\$0.00	\$0.00	\$22,638.00	0%
Non Personnel Costs	\$0.00		\$0.00	\$0.00	\$0.00	0%
Participant Costs-Transportation	\$306.00		\$0.00	\$0.00	\$306.00	0%
Participant Costs - Ancillary	\$22,754.00		\$0.00	\$0.00	\$22,754.00	0%
	\$45,698.00	\$0.00	\$0.00	\$0.00	\$45,698.00	0%
CFET Reimbursement						
Personnel Costs	\$11,319.00		\$0.00	\$0.00	\$11,319.00	
Non Personnel Costs	\$0.00		\$0.00	\$0.00	\$0.00	
Participant Costs-Transportation	\$153.00		\$0.00	\$0.00	\$153.00	
Participant Costs - Ancillary	\$11,377.00		\$0.00	\$0.00	\$11,377.00	
Totals	\$22,849.00	\$0.00	\$0.00	\$0.00	\$22,849.00	
50% Match (County Share)						
Personnel Costs	\$11,319.00		\$0.00	\$0.00	\$11,319.00	
Non Personnel Costs	\$0.00		\$0.00	\$0.00	\$0.00	
Participant Costs-Transportation	\$153.00		\$0.00	\$0.00	\$153.00	
Participant Costs - Ancillary	\$11,377.00		\$0.00	\$0.00	\$11,377.00	
Totals	\$22,849.00	\$0.00	\$0.00	\$0.00	\$22,849.00	

Total Amount Invoiced
Total Amount Claimed to DPW
Total Amount Claimed to H.S.A (Net of County Share)
Total Amount Claimed to CFET (Net of 50% Match)

\$9,463.02
\$9,463.02
\$0.00
\$0.00

By approving this invoice, we certify that the CFET claimed costs included in this invoice have not been previously claimed to a Federal Grant program.
It is acknowledged that only the County of Santa Cruz, HSD Fiscal Department, will claim these costs to a Federal Program.

Authorized By (Signature)

Date

Eileen Richardson, Chief Executive Officer, Downtown Streets Team eileen@streets.team.org
Authorized Signatory Name, Title, Agency Email

1671 The Alameda, Suite 306 • San Jose, CA 95126
Address

650-504-6565
Phone

County Use Only:

Approved By: (Analyst)

Date

Analyst Signature

Extension

Davenport Beach

Date	TRASH			RECYCLABLES			Needles Removed
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	
7/2/2018	1	45	0.22	0	-	0.00	
7/5/2018	5	225	1.11	1	45	0.22	
7/9/2018	2	90	0.45	0	-	0.00	
7/16/2018	4	180	0.89	2	90	0.45	
7/18/2018	0	-	0.00	0	-	0.00	
7/20/2018	3	135	0.67	2	90	0.45	
7/23/2018	5	225	1.11	4	180	0.89	
7/25/2018	0	-	0.00	0	-	0.00	
7/27/2018	8	360	1.78	2	90	0.45	
7/30/2018	4	180	0.89	2	90	0.45	
	32	1,440	7.13	13	585	2.90	0

July

Panther Beach

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
7/2/2018	6	270	1.34	2.5	113	0.56	1
7/5/2018	4	180	0.89	0	-	0.00	
7/9/2018	0	-	0.00	0	-	0.00	
7/16/2018	3	135	0.67	2	90	0.45	
7/18/2018	0	-	0.00	0	-	0.00	
7/20/2018	0	-	0.00	0	-	0.00	
7/23/2018	0	-	0.00	0	-	0.00	
7/25/2018	4	180	0.89	2	90	0.45	
7/27/2018	0	-	0.00	0	-	0.00	
7/30/2018	3	135	0.67	1	45	0.22	
	20	900	4.46	7.5	338	1.67	1

July

RECEIVED

SEP 6 2019

Davenport Landing

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
7/2/2018	0	-	0.00	0	-	0.00	
7/5/2018	0	-	0.00	0	-	0.00	
7/9/2018	0	-	0.00	0	-	0.00	
7/16/2018	0	-	0.00	0	-	0.00	
7/18/2018	1	45	0.22	0	-	0.00	
7/20/2018	1	45	0.22	0	-	0.00	
7/23/2018	0	-	0.00	0	-	0.00	
7/25/2018	0	-	0.00	0	-	0.00	
7/27/2018	1	45	0.22	0	-	0.00	
7/30/2018	0	-	0.00	0	-	0.00	
	3	135	0.67	0	-	0.00	0

July

Bonny Doon

Date	TRASH			RECYCLABLES			Needles Removed
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	
7/2/2018	0	-	0.00	0	-	0.00	
7/5/2018	0	-	0.00	0	-	0.00	
7/9/2018	0	-	0.00	0	-	0.00	
7/16/2018	0	-	0.00	0	-	0.00	
7/18/2018	2	90	0.45	1	45	0.22	
7/20/2018	0	-	0.00	0	-	0.00	
7/23/2018	0	-	0.00	0	-	0.00	
7/25/2018	1	45	0.22	1	45	0.22	
7/27/2018	0	-	0.00	0	-	0.00	
7/30/2018	2	90	0.45	1	45	0.22	
	5	225	1.11	3	135	0.67	0

July

RECEIVED

SEP 01 2019

Scott Creek

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
7/2/2018	0	-	0.00	0	-	0.00	
7/5/2018	0	-	0.00	0	-	0.00	
7/9/2018	0	-	0.00	0	-	0.00	
7/16/2018	0	-	0.00	0	-	0.00	
7/18/2018	1	45	0.22	1	45	0.22	
7/20/2018	2	90	0.45	1	45	0.22	
7/23/2018	0	-	0.00	0	-	0.00	
7/25/2018	0	-	0.00	0	-	0.00	
7/27/2018	0	-	0.00	0	-	0.00	
7/30/2018	0	-	0.00	0	-	0.00	
	3	135	0.67	2	90	0.45	0

July

FY 2018-19

APPROVED FOR PAYMENT

41.b

PO/CO# 19B01422

PO/CO WA#

TRANSFER TO WA#

BY

DATE 9/3/2019

Expenditures Report for: Downtown Streets Team
CalFresh Employment & Training (CFET)
50/50 Match Invoice for Federal Reimbursement

Vendor	Downtown Streets Team	
County	Santa Cruz	
Department	Public Works	
Report Period:	8/1/18	8/31/18
Due Date:	9/30/18	

Contract Number:	19W4054
Contract Term:	Jul. 1, 2018 - June. 30, 2019
GL Key-Object	892100-62381
JL Key-Object	WCEG-W364007
Invoice Number:	PO1422-18-08

Note: some cells auto-calculate

	Budget	Prior Expenditures	Monthly Expenditures	YTD Expenditures	Remaining Balance	% Spent
Total Clean-up Program claimed cost						
Personnel Costs	\$53,900.00	\$4,961.65	\$5,004.21	\$9,965.86	\$43,934.14	18%
Non Personnel Costs	\$8,469.00	\$2,762.00	\$1,546.15	\$4,308.15	\$4,160.85	51%
Participant Costs-Transportation	\$2,306.00	\$43.12	\$83.37	\$126.49	\$2,179.51	5%
Participant Costs - Ancillary	\$29,674.00	\$1,696.25	\$2,197.86	\$3,894.11	\$25,779.89	13%
	\$94,349.00	\$9,463.02	\$8,831.59	\$18,294.61	\$76,054.39	19%
Public Works Reimbursement						
Personnel Costs	\$31,262.00	\$4,961.65	\$5,004.21	\$9,965.86	\$21,296.14	
Non Personnel Costs	\$8,469.00	\$2,762.00	\$1,546.15	\$4,308.15	\$4,160.85	
Participant Costs-Transportation	\$2,000.00	\$43.12	\$83.37	\$126.49	\$1,873.51	
Participant Costs - Ancillary	\$6,920.00	\$1,696.25	\$2,197.86	\$3,894.11	\$3,025.89	
Totals	\$48,651.00	\$9,463.02	\$8,831.59	\$18,294.61	\$30,356.39	
Total CFET claimed cost						
Personnel Costs	\$22,638.00		\$0.00	\$0.00	\$22,638.00	0%
Non Personnel Costs	\$0.00		\$0.00	\$0.00	\$0.00	0%
Participant Costs-Transportation	\$306.00		\$0.00	\$0.00	\$306.00	0%
Participant Costs - Ancillary	\$22,754.00		\$0.00	\$0.00	\$22,754.00	0%
	\$45,698.00	\$0.00	\$0.00	\$0.00	\$45,698.00	0%
CFET Reimbursement						
Personnel Costs	\$11,319.00		\$0.00	\$0.00	\$11,319.00	
Non Personnel Costs	\$0.00		\$0.00	\$0.00	\$0.00	
Participant Costs-Transportation	\$153.00		\$0.00	\$0.00	\$153.00	
Participant Costs - Ancillary	\$11,377.00		\$0.00	\$0.00	\$11,377.00	
Totals	\$22,849.00	\$0.00	\$0.00	\$0.00	\$22,849.00	
50% Match (County Share)						
Personnel Costs	\$11,319.00		\$0.00	\$0.00	\$11,319.00	
Non Personnel Costs	\$0.00		\$0.00	\$0.00	\$0.00	
Participant Costs-Transportation	\$153.00		\$0.00	\$0.00	\$153.00	
Participant Costs - Ancillary	\$11,377.00		\$0.00	\$0.00	\$11,377.00	
Totals	\$22,849.00	\$0.00	\$0.00	\$0.00	\$22,849.00	

Total Amount Invoiced

Total Amount Claimed to DPW

Total Amount Claimed to H.S.A (Net of County Share)

Total Amount Claimed to CFET (Net of 50% Match)

\$8,831.59

\$8,831.59

\$0.00

\$0.00

By approving this invoice, we certify that the total costs included in this invoice have not been previously claimed to a Federal Grant program.
It is acknowledged that only the County of Santa Cruz, HSD Fiscal Department, will claim these costs to a Federal Program.

Authorized By (Signature)

Date

07/29/2019

Eileen Richardson, Chief Executive Officer, Downtown Streets Team eileen@streets.team.org

Authorized Signatory Name, Title, Agency

Email

County Use Only:

Beau T. Hawksford

9/3/2019

Approved By: (Analyst)

Date

1671 The Alameda, Suite 306 • San Jose, CA 95126

650-504-6565

Address

Phone

Analyst Signature

Extension

Davenport Beach

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
8/1/2018	2	90	0.45	2	90	0.45	
8/3/2018	2	90	0.45	2	90	0.45	
8/6/2018	4	180	0.89	3.5	158	0.78	
8/8/2018	0	-	0.00	0	-	0.00	
8/10/2018	3	135	0.67	2	90	0.45	
8/13/2018	1	45	0.22	2	90	0.45	
8/15/2018	3	135	0.67	1	45	0.22	
8/17/2018	0	-	0.00	0	-	0.00	
8/20/2018	2	90	0.45	8	360	1.78	
8/22/2018	0	-	0.00	0	-	0.00	
8/24/2018	3	135	0.67	5	225	1.11	
8/27/2018	0	-	0.00	0	-	0.00	
8/29/2018	0	-	0.00	0	-	0.00	
8/31/2018	1	45	0.22	1	45	0.22	
	21	945	4.68	26.5	1,193	5.90	0

August

Panther Beach

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
August							
8/1/2018	5	225	1.11	2	90	0.45	
8/3/2018	0	-	0.00	0	-	0.00	
8/6/2018	3	135	0.67	3	135	0.67	
8/8/2018	3	135	0.67	1	45	0.22	
8/10/2018	2	90	0.45	2	90	0.45	
8/13/2018	2	90	0.45	3	135	0.67	
8/15/2018	0	-	0.00	0	-	0.00	
8/17/2018	5	225	1.11	3	135	0.67	
8/20/2018	0	-	0.00	0	-	0.00	
8/22/2018	5	225	1.11	6	270	1.34	
8/24/2018	2	90	0.45	2	90	0.45	
8/27/2018	2	90	0.45	1	45	0.22	
8/29/2018	3	135	0.67	1	45	0.22	
8/31/2018	1	45	0.22	1	45	0.22	
	33	1,485	7.35	25	1,125	5.57	0

August

Davenport Landing

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
8/1/2018	0	-	0.00	0	-	0.00	
8/3/2018	0	-	0.00	0	-	0.00	
8/6/2018	0	-	0.00	0	-	0.00	
8/8/2018	0.5	23	0.11	0	-	0.00	
8/10/2018	0	-	0.00	0	-	0.00	
8/13/2018	0	-	0.00	0	-	0.00	
8/15/2018	0	-	0.00	0	-	0.00	
8/17/2018	0	-	0.00	0	-	0.00	
8/20/2018	0	-	0.00	0	-	0.00	
8/22/2018	0.5	23	0.11	0	-	0.00	
8/24/2018	0	-	0.00	0	-	0.00	
8/27/2018	0	-	0.00	0	-	0.00	
8/29/2018	1	45	0.22	0	-	0.00	
8/31/2018	0	-	0.00	0	-	0.00	
	2	90	0.45	0	-	0.00	0

August

Bonny Doon

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
8/1/2018	0	-	0.00	0	-	0.00	
8/3/2018	4	180	0.89	2	90	0.45	
8/6/2018	0	-	0.00	0	-	0.00	
8/8/2018	0	-	0.00	0	-	0.00	
8/10/2018	0	-	0.00	0	-	0.00	
8/13/2018	2	90	0.45	1	45	0.22	
8/15/2018	1	45	0.22	1	45	0.22	
8/17/2018	0	-	0.00	0	-	0.00	
8/20/2018	0	-	0.00	0	-	0.00	
8/22/2018	0	-	0.00	0	-	0.00	
8/24/2018	0	-	0.00	0	-	0.00	
8/27/2018	4	180	0.89	2	90	0.45	
8/29/2018	0	-	0.00	0	-	0.00	
8/31/2018	1	45	0.22	1	45	0.22	
	12	540	2.67	7	315	1.56	0

August

RECEIVED
 2018 08 31
 SANTA CRUZ COUNTY PUBLIC WORKS
 ACCOUNTS PAYABLE DEPT.

Scott Creek

Date	TRASH			RECYCLABLES			
	Bags Removed	Gallons removed	Cubic yards	Bags Removed	Gallons removed	Cubic yards	Needles Removed
8/1/2018	0	-	0.00	0	-	0.00	
8/3/2018	2	90	0.45	1	45	0.22	
8/6/2018	0	-	0.00	0	-	0.00	
8/8/2018	2	90	0.45	2	90	0.45	
8/10/2018	0	-	0.00	0	-	0.00	
8/13/2018	0	-	0.00	0	-	0.00	
8/15/2018	0	-	0.00	0	-	0.00	
8/17/2018	3	135	0.67	1	45	0.22	
8/20/2018	0	-	0.00	0	-	0.00	
8/22/2018	3	135	0.67	2	90	0.45	
8/24/2018	0	-	0.00	0	-	0.00	
8/27/2018	0	-	0.00	0	-	0.00	
8/29/2018	2	90	0.45	1	45	0.22	
8/31/2018	0	-	0.00	0	-	0.00	
	12	540	2.67	7	315	1.56	0

August

AMENDMENT TO AGREEMENT

The parties hereto agree to amend Contract Number 19D2308, dated June 26, 2018, by and between the COUNTY OF SANTA CRUZ, and PETERSON TRACTOR COMPANY, INC., for heavy equipment parts, repairs, rental equipment and preventative maintenance services by increasing compensation by \$311.47, for a revised total not-to-exceed amount of \$263,307.76 for fiscal year 2018-19 only.

All other provisions of said contract shall remain the same.

Dated: _____

CONTRACTOR:

COUNTY OF SANTA CRUZ
DEPARTMENT OF PUBLIC WORKS

PETERSON TRACTOR COMPANY, INC.

MATT MACHADO
DEPUTY CAO
DIRECTOR OF PUBLIC WORKS

BY: Abraham S. Pickett

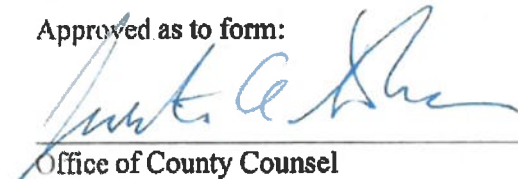
ADDRESS: P.O. Box 5258
San Leandro, CA 94577-6010

TELEPHONE: (408) 204-8872

FAX: (510) 352-4540

E-MAIL: edthoits@petersoncat.com

Approved as to form:


Office of County Counsel

Approved as to Insurance:


Risk Management

DISTRIBUTION:

- Auditor-Controller-Treasurer-Tax Collector
- Public Works
- Risk Management
- Peterson Tractor Company, Inc.

Report SCZCM1001: County Form ADM-29 Amendments

41.d

Contract No. 19D2308

Contractor V128880 PETERSON TRACTOR COMPANY INC

Type	GN	ICA General			
Manager	KASEY K		Security Code	6080	Public Works - CSA Admin
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt		Encumbrance Total
\$210,000.00	\$52,996.29	\$262,996.29	\$0.00		\$262,996.29
Administrator CALSECII			CAL Sec	AMEND	AMENDMENT

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the Public Works - CSA Admin and PETERSON TRACTOR COMPANY INC.
The agreement will provide HEAVY EQUIP REPAIR AND MAINT SVCS. BV & BL

Period of agreement is from 7/1/2018 to 6/30/2019.

Anticipated Cost is \$262,996.29.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qty	Units	Price	Extd Amt
1	2020	GL 625110 - 62330 / JL P51320 - 3350	1	LOT	\$245,480.46	\$245,480.46
		HEAVY EQUIP REPAIR AND MAINT SVCS BV				
2	2020	GL 625110 - 62330 / JL P51350 - 3350	1	LOT	\$17,515.83	\$17,515.83
		HEAVY EQUIP REPAIR AND MAINT SVCS BL				

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
06/14/18 15:30:02 DPW379		Mary Ann LoBalbo	Contract Initiator	Self-Approved	Accepted
06/14/18 15:35:12 DPW187		Italo Jimenez	Departmental Manager	Appropriations Are Available	Accepted
06/17/18 15:19:43 CAO052		Trish Daniels	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
07/06/18 13:17:22 CBD012		Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Accepted

Note BOS approved 6/26/18, #53. COB approved 7/6/18.



State of California

County of Santa Cruz

I, Carlos Palacios, ex-officio Clerk of the Board of supervisors of the County of Santa Cruz, State of California, do hereby certify that the above request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Office by an order fully entered in the minutes of said Board on 6/26/2018.

By: Alicia Murillo, Deputy Clerk

AMENDMENTS ATTACHED

Report SCZCM1001: County Form ADM-29 Amendments

41.d

Contract No . 19D2308

AMENDMENT

Contractor V128880 PETERSON TRACTOR COMPANY INC

Change Order 1 **Change Description** INCREASE IN CONTRACT
Amendment budgeted as follows:

Approval 09/10/19

No	FY	End Date	Account	Type	Total
1	2020		GL 625110 - 62330 / JL P51320 - 3350	U	\$52,996.29
					\$52,996.29

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
08/22/19 7:57:13 DPW352		Michele Suttora	Contract Initiator	Self-Approved	Accepted
Note MT 7555 9/10/19					
08/22/19 11:14:09 DPW187		Italo Jimenez	Departmental Manager	Appropriations Are Available	Accepted
08/28/19 14:59:17 CAO052		Trish Daniels	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
Note pending BOS 9/10/19					
09/10/19 16:01:12 CBD012		Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Accepted

Note BOS approved 9/10/19, #36. COB approved 9/10/19.



State of California
County of Santa Cruz

I, Carlos Palacios, ex-officio Clerk of the Board of supervisors of the County of Santa Cruz, State of California, do hereby certify that the above request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Office by an order fully entered in the minutes of said Board on 9/10/2019.

By: Alicia Murillo, Deputy Clerk

Report SCZCM1001: County Form ADM-29 Amendments

41.d

Change Order 2 Change Description MOVE FROM P51350 TO 51320

Approval

09/16/19

Amendment budgeted as follows:

No	FY	End Date	Account	Type	Total
1	2020		GL 625110 - 62330 / JL P51350 - 3350	U	(\$7,515.83)
2	2020		GL 625110 - 62330 / JL P51320 - 3350	U	\$7,515.83
					<u>\$0.00</u>

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
09/12/19 14:54:02	DPW352	Michele Suttora	Contract Initiator	Self-Approved	Accepted
09/13/19 9:53:27	DPW187	Italo Jimenez	Departmental Manager	Appropriations Are Available	Accepted
09/16/19 15:53:11	CAO052	Trish Daniels	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted

 THIS AMENDMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS
 AS CERTIFIED BY THE CLERK OF THE BOARD

Report SCZCM1001: County Form ADM-29 Amendments

41.d

Change Order 3 Change Description INCREASE IN CONTRACT Approval

Amendment budgeted as follows:

No	FY	End Date	Account	Type	Total
1	2020		GL 625110 - 62330 / JL P51320 - 3350	U	\$311.47
					<u>\$311.47</u>

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/17/19 15:22:49 DPW352		Michele Suttora	Contract Initiator	Self-Approved	Accepted
Note MT 7893 11/5/19					
10/17/19 15:49:36 DPW187		Italo Jimenez	Departmental Manager	Appropriations Are Available	Rejected
Note check work flow					
10/18/19 13:12:18 DPW352		Michele Suttora	Contract Initiator	Self-Approved	Accepted
Note MT 7893 11/5/19					
10/18/19 14:55:15 DPW187		Italo Jimenez	Departmental Manager	Appropriations Are Available	Accepted
10/28/19 8:38:58 CAO052		Trish Daniels	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
Note pending BOS 11/5/19					
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

 THIS AMENDMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS
 AS CERTIFIED BY THE CLERK OF THE BOARD

Attachment: ADM-29 Amendment 19D2308 Peterson Tractor (7893 : Contract Amendment # 19D2308 - 2018/2019 Fiscal Year Invoices for

Part Sales Invoice

Page 1 of 1



Altec Industries, Inc.
5610 Corporate Drive
St. Joseph MO 64507
(877) 462-5832

Please Remit To:

Altec Industries, Inc.
PO Box 11407
BIRMINGHAM AL 35246-0414

For Accounting Questions:

ARINQUIRY@ALTEC.COM

SOLD TO: #29811

COUNTY OF SANTA CRUZ-CLOSED-
2700 BROMMER ST
East Santa Cruz CA 95062

SHIP TO: #29811

COUNTY OF SANTA CRUZ-CLOSED-
2700 BROMMER ST
East Santa Cruz CA 95062

Customer Order No. 4-79	Sales Order No. 4548367	Order Date 30-APR-18	Terms NET 30	Invoice Date 02-MAY-18	Invoice No. 10944362
Shipping Method UPS GROUND	Waybill No. 1Z8R9R720342144705	Date Shipped 02-MAY-18	Sales Person Rushing, David	Credit Card No. N/A	
Item	Quantity	Part Number	Description	Unit Price	Amount
1	1	067002698-	PLACARD;ENGLISH;INFORMATION;PLATFORM CAPACITY 300 LBS MAX;VINYL;WITHOUT LINER;	5.30	5.30
2	1	070610122-	COVER;PLASTIC;CONTROL VALVE	167.27	167.27
				6% State Tax	10.35
				1.75% County Tax	3.02
				1.75% City Tax	0.00
				Adj Tax	-13.37
				Adj Line	13.37

APPROVED FOR PAYMENT

PO/?O# _____

PO/?O WA# _____

TRANSFER TO WA# _____

BY: _____

DATE _____

View your invoices, order history, and shipment information online at www.connect.altec.com

Special Instructions	Sub Total	185.94
	Total Taxes	0.00
	Total Freight	29.73
	Total Amount Due	215.67

****THANK YOU FOR YOUR ORDER****

****Please complete returns form and ship parts within 30 days. Returns may be subject to a restock fee ****

Payment Due by: 01-JUN-18

****Amount unpaid after this date is subject to an interest charge of 1.5% per month****

**** For any inquiries please contact 1-877-GO-ALTEC ****



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: DPW: Road Design

(831) 454-2160

Subject: Improving State Route 1 Pedestrian Crossing in Davenport

Meeting Date: November 5, 2019

Recommended Action

Accept status report on feasibility of design and construction for the safe crossing of State Route 1 in the community of Davenport.

Executive Summary

Santa Cruz County, Caltrans and the Regional Transportation Commission (RTC) have been discussing options for constructing a formal crosswalk on State Route 1 in Davenport.

The Environmental Impact Report (EIR) for the Regional Transportation Commission's Monterey Bay Sanctuary Trail Network (MBSST) Segment 5 (also referred to as the North Coast Rail Trail) project includes an improved parking lot on the coastal side of Highway 1 in Davenport and a pedestrian crosswalk from the parking lot across State Route 1 to the southern corner of Ocean Street in Davenport. Although there has been discussion of initiating a separate project to advance the crosswalk, Santa Cruz County, Caltrans, and RTC agree that the crosswalk should remain part of the MBSST Segment 5 project at this time.

Background

State Route 1 is the longest state route in California, at just over 659 miles. State Route 1 has been signed and continuously managed by Caltrans since 1964. The portion of State Route 1 along the Central Coast was named "Cabrillo Highway", also in 1964. State Route 1 is the only public road accessing the community of Davenport. Caltrans has a long history with traffic management in Davenport. The existing facility includes an overhead mast arm containing flashing beacons, pedestrian advanced warning signs, and speed feedback signs. This pole and mast arm also include an electrolier to improve lighting in this area. Most of the aforementioned infrastructure was installed approximately 15 years ago and most recently, speed feedback signs have been installed. Last year, Caltrans reduced the speed limit on State Route 1 in Davenport from 45 miles per hour to 40 miles per hour and installed high visibility pedestrian signs in the area.

Analysis

Caltrans has upgraded the pedestrian warning system across State Route 1 in Davenport and reduced the speed limit through the community. Although these measures have improved safety, the community is requesting a formal crosswalk in Davenport.

Caltrans requires that a proposed crosswalk lead to ADA compliant pedestrian facilities. The RTC's MBSST North Coast Rail Trail project, which is in the final design phase, proposes ADA compliant curb ramps at the proposed parking lot and the southern corner of Ocean Street in Davenport. Working together with the RTC to design the crosswalk as part of the MBSST Segment 5 project is the most effective approach for obtaining Caltrans approval of the desired improvements.

The remaining construction funding needed for the portion of the North Coast Rail Trail project that includes the Davenport Parking Lot is being actively pursued. Identifying funding for the construction of the crosswalk and associated ADA curb ramps will allow the crossing to move forward with construction of the North Coast Rail Trail project and Davenport Parking Lot, with the flexibility of advancing the construction of the crosswalk improvements, if funding for the MBSST project is delayed. As such, County of Santa Cruz Public Works recommends that the County of Santa Cruz program \$175,000 to the Davenport Crossing project, including \$125,000 in Regional Surface Transportation Exchange (RSTPX) Funds and \$50,000 in developer fees. RTC staff has indicated that it will recommend committing \$125,000 in Measure D funds for construction of the crosswalk, including curb ramps and associated safety improvements.

Financial Impact

The County will contribute \$125,000 of its RSTPX formula share funds towards this RTC project. A total of \$16,195 in matching local funds will be required in order to utilize these RSTPX funds, local source will be determined at the time these funds are utilized.

Strategic Plan Element:

3.A (Reliable Transportation: Regional Mobility)

Improve road and pedestrian infrastructure and enhance pedestrian access across State Route 1 at Davenport.

Submitted by:

Matt Machado, Deputy CAO, Director of Public Works

Recommended by:

Carlos J. Palacios, County Administrative Officer



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: DPW: Road Design
(831) 454-2160

Subject: Ratify Contract Award for Lompico Road 2017 Storm Damage Repair Project

Meeting Date: November 5, 2019

Recommended Action

Ratify Contract No. 20D0408 for the Lompico Road PM 0.22 2017 Storm Damage Repair project, Federal Project No. ER-32L0(264) in the amount of \$543,255.28 with Cal West Construction, Inc., of Gilroy California.

Executive Summary

Ratify the contract award for the Lompico Road PM 0.22 2017 Storm Damage Repair project, Federal Project No. ER-32L0(264) with Cal West Construction for \$543,255.28.

Background

On June 25, 2019, the Board approved the plans, specifications and engineer's estimate; set bid opening and advertisement; and authorized the Deputy CAO, Director of Public Works to award and sign the Lompico Road PM 0.22 Storm Damage Repair project, Federal Project No. ER-32L0(264) contract with the qualified low bidder.

The project was advertised following the Board's direction, and on July 23, 2019, the Department of Public Works received four bids. The lowest responsible bid was for \$543,255.28 from Cal West Construction, Inc., of Gilroy, California. The engineer's estimate was \$584,000. A bid summary is attached for reference. On August 30, 2019, the Deputy CAO, Director of Public Works awarded Contract No. 20D0408 to Cal West Construction, Inc., for \$543,255.28.

Analysis

Lompico Road at PM 0.22 was damaged in the 2017 storm events. The project involves the construction of a soldier pile and timber lagging retaining wall on Lompico Road in the unincorporated area of Santa Cruz County. The Department of Public Works has received authorization from FHWA to proceed with the construction of the project.

Financial Impact

The cost for Contract No. 20D0408 is \$543,255.28 under GL 621217/62330. An initial Emergency Relief Grant through FHWA in the amount of \$587,150 will cover 88.53% of the construction costs for this project. The balance of remaining costs will be covered by SB1 funds.

Strategic Plan Elements

3.A (Reliable Transportation - Regional Mobility)

The installation of a steel soldier pile wall will restore the road to pre-disaster conditions.

3.C (Reliable Transportation: Local Roads)

The Department of Public Works is working diligently to provide safe roadway conditions, and repairing roadways damaged during storms is part of that goal.

Submitted by:

Matt Machado, Deputy CAO, Director of Public Works

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a BID SUMMARY Lompico Road
- b Contract 20D0408 Lompico Rd PM 0.22 Storm Damage Repair
- c ADM-29 Contract 20D0408 Cal West Construction

LOMPICO ROAD PM 0.22 STORM DAMAGE REPAIR PROJECT			Approval Date: June 25, 2019 Bid Open Date: August 13,2019 Award Date: August 30, 2019		ENGINEERS ESTIMATE		NORTHWEST DEMOLITION*		HILLSIDE DRILLING*		CAL WEST GENERAL BUILDING		GRANITEROCK	
Item			Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	070030	LEAD COMPLIANCE PLAN	LS	1	\$1,750.00	\$1,750.00	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00	\$3,000.00	\$3,000.00	\$1,200.00	\$1,200.00
2	074017	PREPARE WATER POLLUTION CONTROL PROGRAM	LS	1	\$2,300.00	\$2,300.00	\$2,000.00	\$2,000.00	\$4,000.00	\$4,000.00	\$3,000.00	\$3,000.00	\$1,000.00	\$1,000.00
3	120100	TRAFFIC CONTROL SYSTEM	LS	1	\$20,000.00	\$20,000.00	\$8,000.00	\$8,000.00	\$25,000.00	\$25,000.00	\$50,000.00	\$50,000.00	\$104,000.00	\$104,000.00
4	129000	TEMPORARY RAILING (TYPE K)	LF	200	\$55.00	\$11,000.00	\$50.00	\$10,000.00	\$25.00	\$5,000.00	\$60.00	\$12,000.00	\$142.50	\$28,500.00
5	129100	TEMPORARY CRASH CUSHION MODULE	EA	2	\$405.00	\$810.00	\$2,000.00	\$4,000.00	\$1,000.00	\$2,000.00	\$7,000.00	\$14,000.00	\$4,000.00	\$8,000.00
6	130100	JOB SITE MANAGEMENT	LS	1	\$6,500.00	\$6,500.00	\$10,000.00	\$10,000.00	\$4,000.00	\$4,000.00	\$10,000.00	\$10,000.00	\$4,250.00	\$4,250.00
7	130640	TEMPORARY FIBER ROLL	LF	259	\$4.00	\$1,036.00	\$20.00	\$5,180.00	\$20.00	\$5,180.00	\$50.00	\$12,950.00	\$15.00	\$3,885.00
8	130670	TEMPORARY REINFORCED SILT FENCE	LF	85	\$9.50	\$807.50	\$45.00	\$3,825.00	\$40.00	\$3,400.00	\$50.00	\$4,250.00	\$23.00	\$1,955.00
9	141101	REMOVE YELLOW PAINTED TRAFFIC STRIPE (HAZARDOUS WASTE)	LF	367	\$1.20	\$440.40	\$20.00	\$7,340.00	\$10.00	\$3,670.00	\$20.44	\$7,501.48	\$8.00	\$2,936.00
10	160100	TEMPORARY HIGH-VISIBILITY FENCE	LF	70	\$40.00	\$2,800.00	\$35.00	\$2,450.00	\$50.00	\$3,500.00	\$50.00	\$3,500.00	\$17.00	\$1,190.00
11	160102	CLEARING AND GRUBBING (LS)	LS	1	\$3,700.00	\$3,700.00	\$8,000.00	\$8,000.00	\$55,000.00	\$55,000.00	\$6,000.00	\$6,000.00	\$1,000.00	\$1,000.00
12	192049	STRUCTURE EXCAVATION (SOLDIER PILE WALL)	CY	33	\$200.00	\$6,600.00	\$125.00	\$4,125.00	\$200.00	\$6,600.00	\$200.00	\$6,600.00	\$383.00	\$12,639.00
13	193029	STRUCTURE BACKFILL (SOLDIER PILE WALL)	CY	8	\$115.00	\$920.00	\$170.00	\$1,360.00	\$800.00	\$6,400.00	\$500.00	\$4,000.00	\$1,800.00	\$14,400.00
14	193116	(F) CONCRETE BACKFILL (SOLDIER PILE WALL)	CY	56	\$420.00	\$23,520.00	\$260.00	\$14,560.00	\$700.00	\$39,200.00	\$500.00	\$28,000.00	\$673.00	\$37,688.00
15	193119	(F) LEAN CONCRETE BACKFILL	CY	36	\$410.00	\$14,760.00	\$250.00	\$9,000.00	\$300.00	\$10,800.00	\$1,000.00	\$36,000.00	\$579.00	\$20,844.00
16	204035	(F) PLANT (GROUP A)	EA	10	\$140.00	\$1,400.00	\$100.00	\$1,000.00	\$200.00	\$2,000.00	\$300.00	\$3,000.00	\$556.00	\$5,560.00
17	204099	(F) PLANT ESTABLISHMENT WORK	LS	1	\$30,000.00	\$30,000.00	\$2,000.00	\$2,000.00	\$7,000.00	\$7,000.00	\$30,000.00	\$30,000.00	\$63,990.00	\$63,990.00
18	210260	(F) ROLLED EROSION CONTROL PRODUCT (JUTE MESH)	SQFT	2,061	\$1.00	\$2,061.00	\$3.00	\$6,183.00	\$1.00	\$2,061.00	\$1.50	\$3,091.50	\$1.40	\$2,885.40
19	210430	(F) HYDROSEED	SQFT	2,061	\$0.25	\$515.25	\$3.00	\$6,183.00	\$2.00	\$4,122.00	\$1.50	\$3,091.50	\$1.00	\$2,061.00
20	260203	CLASS 2 AGGREGATE BASE (CY)	CY	14	\$300.00	\$4,200.00	\$200.00	\$2,800.00	\$1,000.00	\$14,000.00	\$300.00	\$4,200.00	\$667.00	\$9,338.00
21	390132	HOT MIX ASPHALT (TYPE A)	TON	44	\$520.00	\$22,880.00	\$200.00	\$8,800.00	\$700.00	\$30,800.00	\$350.00	\$15,400.00	\$539.00	\$23,716.00
22	394074	PLACE HOT MIX ASPHALT DIKE (TYPE C)	LF	74	\$6.00	\$444.00	\$200.00	\$14,800.00	\$60.00	\$4,440.00	\$110.00	\$8,140.00	\$40.00	\$2,960.00
23	398200	COLD PLANE ASPHALT CONCRETE PAVEMENT	SQYD	216	\$65.00	\$14,040.00	\$180.00	\$38,880.00	\$35.00	\$7,560.00	\$46.30	\$10,000.80	\$34.00	\$7,344.00
24	490305	SOLDIER PILE (W 14 X 120)	LF	566	\$165.00	\$93,390.00	\$110.00	\$62,260.00	\$150.00	\$84,900.00	\$100.00	\$56,600.00	\$126.00	\$71,316.00
25	490403	(F) 30" DRILLED HOLE	LF	506	\$280.00	\$141,680.00	\$200.00	\$101,200.00	\$60.00	\$30,360.00	\$80.00	\$40,480.00	\$280.00	\$141,680.00
26	510050	STRUCTURAL CONCRETE	CY	1	\$700.00	\$700.00	\$500.00	\$500.00	\$3,500.00	\$3,500.00	\$2,000.00	\$2,000.00	\$8,040.00	\$8,040.00
27	520101	BAR REINFORCING STEEL	LB	48	\$5.00	\$240.00	\$150.00	\$7,200.00	\$20.00	\$960.00	\$100.00	\$4,800.00	\$21.00	\$1,008.00
28	575004	TIMBER LAGGING	MFBM	5	\$7,000.00	\$35,000.00	\$7,200.00	\$36,000.00	\$5,000.00	\$25,000.00	\$7,000.00	\$35,000.00	\$15,000.00	\$75,000.00
29	590120	(F) CLEAN AND PAINT STEEL SOLDIER PILING	LS	1	\$35,000.00	\$35,000.00	\$20,000.00	\$20,000.00	\$30,000.00	\$30,000.00	\$20,000.00	\$20,000.00	\$23,200.00	\$23,200.00
30	641101	(F) 12" PLASTIC PIPE	LF	46	\$140.00	\$6,440.00	\$200.00	\$9,200.00	\$180.00	\$8,280.00	\$50.00	\$2,300.00	\$200.00	\$9,200.00
31	680902	(F) 6" PERFORATED PLASTIC PIPE UNDERDRAIN	LF	121	\$65.00	\$7,865.00	\$175.00	\$21,175.00	\$55.00	\$6,655.00	\$50.00	\$6,050.00	\$121.00	\$14,641.00
32	680903	6" NON-PERFORATED PLASTIC PIPE UNDERDRAIN	LF	30	\$75.00	\$2,250.00	\$175.00	\$5,250.00	\$35.00	\$1,050.00	\$50.00	\$1,500.00	\$121.00	\$3,630.00
33	682040	CLASS 2 PERMEABLE MATERIAL	CY	111	\$95.00	\$10,545.00	\$180.00	\$19,980.00	\$250.00	\$27,750.00	\$300.00	\$33,300.00	\$22.00	\$2,442.00
34	723080	ROCK SLOPE PROTECTION (60 lb, Class II, METHOD B) (CY)	CY	2	\$155.00	\$310.00	\$1,000.00	\$2,000.00	\$1,800.00	\$3,600.00	\$2,000.00	\$4,000.00	\$2,373.00	\$4,746.00
35	729011	(F) ROCK SLOPE PROTECTION FABRIC (CLASS 8)	SQYD	8	\$12.00	\$96.00	\$1,000.00	\$8,000.00	\$50.00	\$400.00	\$125.00	\$1,000.00	\$19.00	\$152.00
36	820134	OBJECT MARKER (TYPE P)	EA	2	\$300.00	\$600.00	\$500.00	\$1,000.00	\$200.00	\$400.00	\$500.00	\$1,000.00	\$100.00	\$200.00
37	820143	OBJECT MARKER (TYPE K-2)	EA	1	\$70.00	\$70.00	\$500.00	\$500.00	\$100.00	\$100.00	\$500.00	\$500.00	\$100.00	\$100.00
38	832006	MIDWEST GUARDRAIL SYSTEM (STEEL POST)	LF	44	\$175.00	\$7,700.00	\$300.00	\$13,200.00	\$180.00	\$7,920.00	\$125.00	\$5,500.00	\$220.00	\$9,680.00
39	839584	ALTERNATIVE IN-LINE TERMINAL SYSTEM	EA	2	\$4,600.00	\$9,200.00	\$3,000.00	\$6,000.00	\$4,000.00	\$8,000.00	\$7,000.00	\$14,000.00	\$4,275.00	\$8,550.00
40	840505	6" THERMOPLASTIC TRAFFIC STRIPE	LF	367	\$6.00	\$2,202.00	\$9.00	\$3,303.00	\$10.00	\$3,670.00	\$20.44	\$7,500.00	\$5.00	\$1,835.00
41	999990	MOBILIZATION	LS	1	\$58,400.00	\$58,400.00	\$15,000.00	\$15,000.00	\$38,091.00	\$38,091.00	\$30,000.00	\$30,000.00	\$80,000.00	\$80,000.00
						\$584,172.15		\$506,254.00		\$526,369.00		\$543,255.28		\$816,761.40

*1st and 2nd lowest bidders are nonresponsive for failing to provide the minimum bid for item 17 as required in the Special Provision (Special Notices, Section 2-1.09, and Section 20)

Attachment: BID SUMMARY Lompico Road (7804 : Ratify Contract Award for Lompico Road 2017 Storm Damage Repair Project)

CONTRACT

This Contract, made and entered into this 14th day of September, 2019, between the County of Santa Cruz, a political subdivision of the State of California, hereinafter referred to as County, and: Cal West Construction General Building Inc., hereinafter referred to as Contractor;

WITNESSETH:

WHEREAS, the Board of Supervisors of said County of Santa Cruz heretofore caused plans and specifications for the work hereinafter mentioned to be prepared, and thereafter did approve and adopt said plans and special provisions; and,

WHEREAS, the Board of Supervisors of County of Santa Cruz did cause to be noticed for the time and in the manner required by law a Notice inviting sealed bids for the performance of said work; and,

WHEREAS, Contractor, in response to such Notice, submitted to the Board of Supervisors of said County of Santa Cruz within the time specified in said Notice, and in the manner provided for therein, a sealed bid for the performance of the work specified in said plans and specifications, which said bid and proposal, and the other bids and proposals submitted in response to said Notice, the Board of Supervisors of County of Santa Cruz publicly opened and canvassed in the manner provided by law; and,

WHEREAS, Contractor was the lowest responsible bidder for the performance of said work, and said Board of Supervisors of County of Santa Cruz, as a result of the canvass of said bids, did determine and declare Contractor to be the lowest responsible bidder for the work and award to it a Contract therefor.

NOW, THEREFORE, in consideration of the above, it is mutually agreed between the parties hereto as follows, to wit:

1. SCOPE OF WORK

Contractor will furnish **labor, equipment, tools and materials** necessary for site work and construction of **a soldier pile retaining wall, underdrain, guardrail, reconstructed roadway, striping, erosion control and revegetation**. The Contractor shall include in its bid and provide labor, tools, equipment, and materials for a complete and working project in conformance with the intent shown on the drawings and specified herein and as provided for and set forth in said plans, special provisions, and any addendum that may be issued prior to the date of bid, or in either of them, which said plans and special provisions are hereby referred to by such reference, incorporated herein, and made a part of this Contract.

2. TERMS AND CONDITIONS

This Contract, and the Contract Documents, consist of the Contract Documents identified within the plans and special provisions, all of which are incorporated herein by reference as though set forth in full, and all of which are part of this Contract, and Contractor and County of Santa Cruz agree to comply with and fulfill all obligations, promises, covenants and conditions imposed upon each of them in the Contract Documents. All of said work done under this Contract shall be performed to the satisfaction of the Board of Supervisors of County of Santa Cruz, or its representative, who shall have the right to reject any and all materials and supplies furnished by Contractor which do not strictly comply with said plans and special provisions, together with the right to require Contractor to replace any and all work furnished by Contractor which shall not either in workmanship or material be in strict accordance with said plans and special provisions.

Upon condition the Contractor faithfully performs its obligations herein, County of Santa Cruz agrees to make payment to Contractor (subject to the terms and conditions of the Contract Documents) the sum of Five hundred forty three thousand two hundred fifty five and twenty eight cents (\$543,255.28.)

IN WITNESS WHEREOF, County of Santa Cruz and Contractor have caused this Contract to be signed as of the day and year first above written.

County of Santa Cruz:

By: [Signature]

Print Name: Matt Machado

Print Title: Director of Public Works

Date: 9/16/19

Contractor:

By: [Signature]
(Signature of Authorized Agent)

Print Name: John Lawton

Print Title: PRESIDENT

Date: 8/30/19

Approved as to form:

[Signature]
County Counsel

Date: 9-14-19

Approved as to insurance:

[Signature]
Risk Management

Date: 9/16/19

Report SCZCM1000: County Form ADM-29

43.c

Contract No. 20D0408

Contractor V30741 CAL WEST CONSTRUCTION GENERAL

Type	OT	Other			
Manager	JEFF		Security Code	6020	Public Works - Roads
Original Amount	Amendment Total	Current Maximum Total	Contingency Amt		Encumbrance Total
\$543,255.28	\$0.00	\$543,255.28	\$0.00		\$0.00
Administrator	COMPLETI		CAL Sec ORIG		Original Contract

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same. Said agreement is between the Public Works - Roads and CAL WEST CONSTRUCTION GENERAL BUILDING INC.

The agreement will provide STORM DAMAGE LOMPICO RD PM 0.22

Period of agreement is from 9/16/2019 to 1/1/1000.

Anticipated Cost is \$543,255.28.

Appropriations/Revenues are available and are budgeted as follows:

No	FY	Account/Description	Qnty	Units	Price	Extd Amt
1	2020	GL 621217 - 62330 / JL P76596 - 3665	1	EA	\$543,255.28	\$543,255.28
		STORM DAMAGE LOMPICO RD PM 0.22				

NOTE: IF APPROPRIATIONS ARE INSUFFICIENT, PREPARE AND ROUTE A COMPLETED AUD-74 OR AUD-60.

Workflow Approval History

Time	User ID	User Name	Role	Approved As To	Status
10/17/19 15:37:57 DPW352		Michele Suttora	Contract Initiator	Self-Approved	Accepted
Note MT 7804 11/5/19					
10/18/19 14:53:07 DPW187		Italo Jimenez	Departmental Manager	Appropriations Are Available	Accepted
10/18/19 17:44:13 CAO052		Trish Daniels	County Administrative Office	Proposal and Accounting: Recommended for BOS Approval	Accepted
Note pending BOS approval 11/5/19 MT 7804					
	CBD012	Alicia Murillo	Deputy Clerk	Certification of BOS Approval of Contract	Pending

 THIS AGREEMENT IS NOT VALID UNTIL APPROVED BY THE BOARD OF SUPERVISORS AS
 CERTIFIED BY THE CLERK OF THE BOARD

Attachment: ADM-29 Contract 20D0408 Cal West Construction (7804 : Ratify Contract Award for Lompico Road 2017 Storm Damage Repair



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: DPW: Road Operations
(831) 454-2160

Subject: 2020 RSTPX Funding Project List

Meeting Date: November 5, 2019

Recommended Actions

- 1) Approve list of projects to receive Regional Surface Transportation Program Exchange (RSTPX) funding; and
- 2) Authorize Public Works to submit a copy of the approved board package to the Santa Cruz County Regional Transportation Commission (SCCRTC).

Executive Summary

Public Works anticipates receiving a formula share of RSTPX funding from the SCCRTC which requires submission of a project list approved by the Board of Supervisors for projects nominated to receive this funding.

Background

At its September 5, 2019 meeting, the SCCRTC gave direction that RSTPX funds should be allocated to local agencies within the County of Santa Cruz by formula. Based on this formula, funds available for the County through FY2020-21 will total \$4,815,541. The County is required to submit a list of projects designated to receive these funds. On October 1, 2019, the SCCRTC issued a call for projects requesting this information. The action under consideration is to approve a list of projects to receive this RSTPX funding.

Analysis

In developing recommendations for the use of these RSTPX funds, Public Works was required to follow Federal Highway Administration (FHWA) guidelines for eligible roadway types (typically limited to major collectors and arterials in the County's road network). Public Works first determined district funding allocations based on the percentage of maintained mileage within each Supervisorial District, then worked with each District Supervisor to identify funding priorities in their respective districts. A summary table showing proposed project locations and funding recommendations is attached for your Board's consideration.

Attached for the Board's review and approval is a list of proposed RSTPX projects. Upon approval by the board, this list will be provided to the SCCRTC for the programming of RSTPX funds. Public Works worked with each Supervisorial office to determine current regional priorities. In many cases, the RSTPX funds will be used to complete necessary funding for proposed projects which received partial funding in previous grant cycles.

Financial Impact

The County's allocation of RSTPX funds is \$4,815,541 according to the SCCRTC's Call for Projects issued 10/1/19. The attached list shows the proposed use of these funds. A total of \$623,904 in matching local funds will be required in order to utilize these RSTPX funds. Local source will be determined at the project design phase.

Strategic Plan Elements

3.C (Local Roads), 6.C (County Infrastructure)

This funding will be directed toward road infrastructure repair projects, meeting strategic plan objectives by maintaining County road infrastructure.

Submitted by:

Matt Machado, Deputy CAO, Director of Public Works

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a 2020 RSTPX Funded Projects List

2020 RSTPX Funding Requested Funding For Projects By District			
District	Existing RTC Project No.	Project Description	RSTPX Formula Share
1	CO 83	Hwy 17 to Soquel Corridor Resurfacing <i>Resurfacing for all portions of Laurel Glen Road, Mountain View Road, Vine Hill Road, West Vine Hill Road, and a portion of North Rodeo Gulch Road</i>	\$1,348,352
2	(New)	Pioneer-Varni Road Resurfacing <i>Resurfacing for all portions of Pioneer Road and Varni Road</i>	\$1,044,662
	CO 64c	Aptos Creek Road Traffic Signal, Soquel Drive Sidewalks and Bike Lanes <i>Traffic Signal and intersection improvements</i>	\$400,000
3	(New)	Davenport Highway 1 Crosswalk Construction of a new crosswalk in Davenport on State Highway 1 near Ocean Street	\$125,000
	(New)	Empire Grade Resurfacing Resurfacing of a portion of Empire Grade from PM 9.37 (1200' S/O McGivern Way) to PM 10.67 (100' S/O Quarry Bend Road)	\$356,554
4	CO 84	Hwy 152/Holohan - College Intersection <i>Traffic Signal and intersection improvements</i>	\$385,243
5	CO 85	Scotts Valley Area Routes Resurfacing <i>Resurfacing of portions of Graham Hill Road, Lockewood Lane, and Mt Hermon Road</i>	\$355,060
	CO 86	Zayante Corridor Resurfacing <i>Resurfacing of portions of East Zayante Road and Upper East Zayante Road</i>	\$800,670

Countywide Total RSTP Share = **\$4,815,541**

Attachment: 2020 RSTPX Funded Projects List (7941 : 2020 RSTPX Funding Project List)



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: DPW: Road Engineering
(831) 454-2160

Subject: Deferral on Status Update on Requested FHWA Extensions

Meeting Date: November 5, 2019

Recommended Actions

- 1) Defer status update of time extension requests submitted to FHWA for winter 2016-17 storm damage repair projects; and
- 2) Direct Public Works to return on or before December 10, 2019, with a status update.

Executive Summary

The Department of Public Works requests to defer providing an update on the time extension requests for FHWA funded storm damage repair projects until December 10, 2019, to allow time to receive responses from FHWA as to their status.

Background

On September 24, 2019, the Board directed staff to return on November 5, 2019, with an update as to the status of time extension requests for storm damage repair projects that were submitted to FHWA for approval.

Analysis

Public Works submitted Time Extension requests to FHWA for 86 storm damage repair projects resulting from the winter 2016-17 storms. To date, there has been no response to these requests from FHWA.

Financial Impact

FHWA has obligated \$17,476,130 of an estimated \$58,485,518 for storm damage repairs to date. The department has received \$7,260,580 in reimbursements to date.

Strategic Plan Element(s)

3.A (Reliable Transportation - Regional Mobility)

Improve road infrastructure and intra-county connectivity, and enhance commuting solutions;

3.C (Reliable Transportation: Local Roads)

The Department of Public Works is working diligently to provide safe roadway conditions, and repairing roadways damaged during storms is part of that goal.

Submitted by:

Matt Machado, Deputy CAO, Director of Public Works

Recommended by:

Carlos J. Palacios, County Administrative Officer